The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan's Warlords Would "Abyssinianize" China---A Complete Survey

ARTICLES IN THIS ISSUE

Gen. Han Fu-chu's Little Joke on Gen. Doihara

Press Survey Reveals Serious Anti-Chinese Attitude of Japanese Officials and Government

Japanese Extend Military Sway to Yangtsze—Would Use "Abyssinian" Methods Here

Direct Negotiations Between Kawagoe and Chiang Improbable; Suiyuan Invasion Held Imminent

Britian Informs League That Rearmament Will Be Continued Until Agreement Reached

Japanese Marines Place Barriers in Hongkew Streets; Country Generally at Tension

Harbin Prepares for Soviet Air Attacks; Japanese Stage 4-Day Maneuvers (*By the Review's Harbin Correspondent*)

The Background of the Pakhoi Incident (*By the Review's Canton Correspondent*)

Reply to Lord Beaverbrook on "Anglo-American Military Alliance" . . . . . By C. Y. W. Meng

A Tribute to Generalissimo Chiang Kai-shek . . By Chen Fu-sheng

Feng Jui's Appeal to the King of Hades . . . By T. S. Young

SATURDAY, OCTOBER 3, 1936 VOLUME 78, NUMBER 5

FORTY CENTS A COPY

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密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 78 | Shanghai, China, Saturday, October 3, 1936 | Number 5

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

Gen. Han Fu-chu's Little Joke on Gen. Doihara 145
Press Survey Reveals Serious Anti-Chinese Attitude of Japanese Officials and Government..... 146
Japanese Extend Military Sway to Yangtsze—Would Use "Abyssinian" Methods Here..... 150
Britain Informs League That Rearmament Will Be Continued Until Agreement Reached..... 152

Special Articles

Japanese Marines Place Barriers in Hongkew Streets; Country Generally at Tension 154
Direct Negotiations Between Kawagoe and Chiang Improbable; Suiyuan Invasion Held Imminent 159
Harbin Prepares for Soviet Air Attacks; Japanese Stage 4-Day Maneuvers..... 162
Reply to Lord Beaverbrook on "Anglo-American Military Alliance".....By C. Y. W. Meng 164
Feng Jui's Appeal to the King of Hades..... By T. S. Young 166
A Tribute to Generalissimo Chiang Kai-shek..... By Chen Fu-sheng 167
The Background of the Pakhoi Incident..... 172
Who's Who in China 175
Men and Events 176
New Books of Interest in the Far East 178

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

GEN. HAN FU-CHU'S LITTLE JOKE ON GEN. DOIHARA

THE fact that the Japanese are again exerting pressure on Gen. Han Fu-chu to force him to join the puppet Hopei-Chahar Political Council at Peiping has brought into prominence the key position now occupied by the Shantung governor, who, with the exception of Gen. Yen Hsi-shan in Shansi, is the only head of a province still able to maintain a semi-independent position with respect to the Gentral Government at Nanking. The recent settlement of the Canton-Kwangsi complications and the reorganization of the military and financial establishments in the southern provinces by the National Government has caused attention to be turned on Shantung where the Japanese are trying to fish in troubled waters with the object of strengthening their military position in North China. The chief-of-staff of the Japanese Kwantung army recently declared the intention of the Japanese warlords to "protect" Gen. Han Fu-chu in the event the National Government should try to interfere in Shantung which the Japanese regard as their "sphere," despite the action of the Washington Conference in 1922 which compelled the Japanese to restore the province to Chinese control.

This brings us to the story about Gen. Han and Japan's master of military intrigue, Gen. Doihara who recently visited the Shantung Governor and exerted all possible influence to induce Gen. Han to break with Nanking and join the "Five-Province-Coalition" which the Japanese have marked out on the map as their new puppet state. According to the report whispered about in Peiping and Tientsin, Doihara arranged for a private interview with Gen. Han and specified that the conversations were to be secret with no interpreters, bodyguards or attendants of any character present; not even the ubiquitous Chinese boy who brings in hot tea and towels at all official interviews. When Gen. Han arrived at the appointed place and hour he was ushered into a room, all very mysteriously, where he found

Doihara waiting for him. The Japanese general then launched upon an explanation of his schemes in North China and made Gen. Han an attractive proposition if he would join in with the Japanese military machine and help consolidate the so-called Japan-Manchukuo-China "bloc." But Gen. Han, while expressing deep appreciation for the Japanese offer, explained that he was only a simple-minded military man, unfamiliar with politics, and suggested that Gen. Doihara "take the matter up with the Nanking Government." Gen. Doihara then went over it again, increasing the inducement, whatever it was, but each time Gen. Han raised objection. Finally Doihara lost patience and pointed out to Gen. Han that the house was surrounded by Japanese gunmen and unless Gen. Han agreed to the Japanese warlord's proposal he would never leave the room alive. At this point Gen. Han took out his watch and pointing to it explained that before he left his headquarters he had given instructions that in the event he did not return by 10:30 o'clock he had issued orders to his troops to massacre every Japanese in Tsinan. What happened after that has not been recorded but at daylight the next morning a Japanese military plane alighted on the Tsinan airfield and scarcely had it stopped before Doihara climbed aboard and the plane roared away to the North. A few days later the General Staff ordered Japan's "master of intrigue" back to Tokyo.

Press Survey Reveals Serious Anti-Chinese Attitude of Japanese Officials and Government

JAPANESE continuously refer to the anti-Japanese sentiment prevailing among the Chinese people as something which is fostered by the Chinese Government officially. This charge has been made so frequently in the Japanese press and circulated so widely through the official *Domei* news service as to indicate that the Japanese military authorities intend to take advantage of the present crisis to force the dissolution of the Kuomintang or Chinese Nationalist Party. The Japanese newspapers, shortly following the Chengtu incident, indicated that it was the definite intention of the Japanese Government to compel the disbandment of the Kuomintang on the ground that it was fostering anti-Japanese sentiment among the Chinese people.

In making these charges against the Chinese, the Japanese seemingly were entirely unaware of the fact that an analysis of statements by their own officials and editorial discussions in the Japanese press indicated anti-Chinese sentiments of far greater virulence than any public manifestations of anti-Japanism displayed by Chinese officialdom. The Japanese, according to statements in their newspapers, overlooked the fact that Nanking's inability to defend itself against Japanese aggression made it necessary for Chinese officialdom to avoid any activities which might provoke Japanese retaliation or further aggression. Since the signing of the Tangku Truce, May 31st, 1933, when the Chinese Government gave up the idea of military resistance, the policy of governmental authorities has been not to provoke the Japanese to further military aggression, but to accede to their demands in places where it would cause the least harm to the nation. In view of this policy, it is obvious that Chinese officials, whose main interest is in holding the government intact, would be unlikely to foster so-called anti-Japanese activities.

With reference to the attitude of the Japanese Government as reflected in the Japanese press, it was significant to note that the *Yomiuri Shimbun*, on September 19th pointed out that the new Japanese Ambassador, Shigeru Kawagoe, now appeared on the stage for the first time, "Whether he is smart or dull will be proved in his first talk with the Chinese authorities as the other party to the negotiations is a notorious rascal. Will Mr. Kawagoe be cleverly dragged here and there and finally be thrown out abruptly? The tactics of diplomacy or petty strategy won't do. Tighten your loin cloth, Mr. Kawagoe, and tackle your opponent."

In addition to this declaration in the *Yomiuri Shimbun*, a Japanese writer named Okayama declared, "China is interested in and responds to two things only: the mailed fist and money. The soft words of international friendship or cooperation never appealed to her. The present situation is tense for China because Japan is now ready with her mailed fist." Continuing, this writer declared that the vital point in the present and forthcoming negotiations depended upon whether or not China would accept Japan's demand for the elimination of anti-Japanese activities as a source of unfortunate incidents in the past. He stated that for years the Japanese had tried to make China give up her anti-Japanese sentiments, "but somehow or other China had proved elusive and slipped out of Japan's grasp." In concluding he declared Gen. Chiang Kai Shek was held in high esteem by many influential Japanese, "As a statesman and military man, General Chiang Kai Shek has no equal among the other Chinese leaders. Really, he is comparable to Mussolini, Hitler and other world dictators. Many Japanese actually think that Chiang Kai Shek is of Japanese descent. It is said that during the Tokugawa period many Japanese went to China, hence Chiang may be of Jap-

anese ancestry through descent from one of the Tokugawa leaders."

With reference to articles in the Japanese newspapers during the last two weeks of September, it is significant that the Japanese press has tried to create the impression among the Japanese people that Japan is meeting with success in her negotiations at Nanking. For example, the *Nichi Nichi Shimbun*, leading paper of Tokyo, announced on September 19th the receipt of an official cable from Ambassador Kawagoe, "indicating that the Nanking Government had decided to formally recognize the establishment of a consulate General at Chengtu . . . It is indicated that Foreign Minister Chang Chun at Nanking has notified Japan to this effect."

Continuing the dispatch said, "It was indicated that when Ambassador Kawagoe submitted demands regarding the settlement of the Chengtu Incident that the matter of 're-opening' the Japanese Consulate General at Chengtu would be solved smoothly . . . . It is expected that Acting Consul Iwai, who is marking time at Chungking, will set about making preparation for the opening of the consulate general, pending stabilization of the situation in Szechuen Province. The Chinese in making this decision were motivated by the desire to modify the strong attitude of Japan on the general situation by expressing a bit of sincerity in its dealings with the Japanese, but the diplomatic authorities in Tokyo have decided to stand on guard despite this display of a 'small amount of sincerity on China's part.' "

This misleading dispatch obviously could not have been based on fact, because there has been no official announcement from Nanking of any character which would indicate the Government's intention to recede from its position that foreign consular agencies in Chengtu are to be closed. Apparently in the same category was another dispatch sent to the *Nichi Nichi Shimbun*, by its correspondent at Shanghai to the effect that General Chiang Kai Shek, referring to the warning given him on September 16th by Admiral Oikawa of the Japanese Third Fleet, was quoted as replying "I have ordered Weng Chao-yuan's troops, constituting the former Nineteenth Route Army in the Pakhoi area, to withdraw from Pakhoi and have threatened to conduct an armed expedition against them unless they obey."

Of considerable interest was another dispatch published in the *Asahi Shimbun* at about the same time containing details of Ambassador Kawagoe's conversation with officials of the Nanking Foreign Office, referring to the Chengtu Incident, Ambassador Kawagoe, according to this dispatch, said, "It seems that anti-Japanese activities in your country have not been removed, but are rather instigated, otherwise they could not have happened. It is clear that the Pakhoi incident was precipated by the Nineteenth Route Army, which has the strongest anti-Japanese sentiment. We request your country to order the Nineteenth Route Army to evacuate the area immediately, and give the Japanese investigators complete freedom. The Nanking Government will be charged with responsibility if any situation occurs on account of the Nineteenth Route Army's failure to withdraw. I request that the Nanking Government rectify its old attitude and make a new determination to entirely eliminate all anti-Japanese activities."

In reply to this demand a spokesman of the Nanking Foreign Office was quoted in the Tokyo papers as saying that the Government was controlling anti-Japanese activities now as previously, and that further orders had been issued throughout the country. The Nanking official, according to this dispatch, declared, "In future we are determined to make full endeavors to conform to your request. As the first step the Government desires to seek a settlement of the Chengtu Incident with sincerity. The Government is already determined on this point, but as to concrete matters, we have to confer with various quarters and cannot give an immediate reply. We desire to know Japan's plans, and will do our best under the circumstances." The report in the Tokyo paper said that the interview occurred in a "most peaceful atmosphere."

China's obvious sincerity in trying to comply with Japan's wishes was indicated in a further allegedly official communique issued from the Japanese Embassy in Nanking to the effect that officials of the Nanking Foreign Office had expressed their regret most deeply, and offered detailed explanations regarding measures which had been taken following the incidents.

A further editorial comment in the *Asahi Shimbun* explained that there were indications that the Chinese would make an attempt to restrict the present negotiations to settlement of the Chengtu incident alone, and, "would postpone the question of eliminating anti-Japanese activities for a future talk." Attaching much importance to such a possibility, the Japanese Government had decided to definitely oppose such an attitude, which amounts to putting the cart before the horse. While Nanking had taken an "apologetic attitude" and appeared to show its sincerity with reference to punishment of the guilty, apologies, indemnities, etc., it was trying to make a separate issue out of the anti-Japanese sentiment responsible for the Chengtu and Pakhoi Incidents. The Japanese Government was convinced that the removal of the anti-Japanese atmosphere pervading the whole of China must be a fundamental condition to any solution of the incidents. "The Japanese Government must adopt the principle that, unless the matter of eliminating anti-Japanese sentiment is negotiated on a parallel with talks regarding the

actual settlement of the incidents and the arrival of a complete understanding between the two countries, an adjustment of the incidents and a readjustment of the relationships of the two countries would be an absolute impossibilty . . . The Japanese Government expected that Ambassador Kawagoe would persuade China to consent to Japan's way of settling matters. It is Japanese policy not to yield an inch in regard to the elimination of anti-Japanese activities, a matter the Japanese Government considers absolute." However, it was realized that the forthcoming negotiation would only become decisive after the return of General Chang Kai Shek to Nanking.

It was also significant that the *Asahi Shimbun* published a further report alleging that the Japanese Navy Department apparently had adopted a more moderate attitude. The Naval Minister, Admiral Nagano, following a conversation with Foreign Minister Arita, had explained that the Nanking Government claimed it had reconsidered its attitude but innocent Japanese residents had been slain and it had failed to show sincerity regarding measures to be taken in the circumstances. This attitude on the part of the Nanking Government, "absolutely could not be permitted from the standpoint of humanity, irrespective of whether the person killed is a Japanese or any other foreigner." The Admiral declared, however, that the establishment of Sino-Japanese friendship was an absolute condition of peace in East Asia, hence Japan should refrain from hasty action, and should exercise all patience in order that the Nanking Government would assume a "sincere attitude" and control the situation smoothly. In accordance with this attitude the Japanese Navy, intends "to bear what is unbearable and watch the attitude of the Nanking Government during the negotiations. If Nanking fails to show sincerity toward this 'constructive and peaceful' policy on the part of the Japanese Government, and fails to control the situation and assume all responsibility, the Navy will be compelled to resort to the use of armed force."

But even the slight indication of a liberal attitude exemplified in the statement of the Tokyo Naval Minister was not reflected in statements by commanders of Japanese naval squadrons in China waters. The Shanghai correspondent of the *Tokyo Nichi Nichi* wired his paper on September 21st quoting a spokesman of the Japanese Third Fleet Headquarters at Shanghai as saying the seriousness of the present situation in China exceeded that which prevailed prior to the outbreak of the Manchukuoan incident following the northward advance of the Chinese National Revolutionary Army in 1926 and 1927. This statement was preceded by a list of incidents beginning with the shooting of the warrant officer, Nakayama in Shanghai last November and including references to the murder of the Japanese consular policemen Sumida in Swatow last January, the murder of civilian Kayau in Shanghai in July, the throwing of bombs in Changsha (August) and in Swatow in September, the Chengtu incidents in August, the murder of Nakano in September, the shooting of patrolman Yoshioka at Hankow and the latest Shanghai incident in the Hongkew section on Sept. 25th involving the killing of one Japanese bluejacket and the wounding of two others.

The spokesman of the Japanese Third Fleet declared that it had now become necessary for Japan to station a landing party of considerable strength in the Japanese Concession at Hankow, which he regarded as an important strategic point in Central China. The Japanese naval officer declared that the importance of stationing of troops in Hankow had been recognized by the authorities in Tokyo, and pending the arrival of reinforcements for that purpose, it had been decided to send a portion of the force stationed at Shanghai to Hankow. This force left Shanghai on September 20th.

It apparently did not occur to the Japanese Admiral that there was a historical significance in the decision of the Japanese Government to station military forces in Hankow, because a previous force which Japan stationed in that city for many years prior to the Washington Arms Conference in 1922 had to be removed as a result of action taken by the Powers represented at the Conference. But the Admiral said that the Chinese could no longer be relied upon for protection of Japanese lives and property against persecutions now prevailing throughout the country; self-defense measures are necessary not only in Hankow, but throughout the Yangtsze Valley.

The Tokyo Army authorities in a statement published in the *Nichi Nichi* on September 21th declared their conviction that the recent incidents "reflect the consistent anti-Japanese policies of the Nanking Government . . . The sole key to the achievement of Japan's objective in suppressing anti-Japanese activities lies in whether or not the National Government is prepared to take full responsibility for these incidents and adopt sincere measures to remedy them. The situation is such that no further delay in idly listening to Chinese excuses can be permitted. The time has arrived for China to reply, yes or no, to the demands of the Japanese Government. Should the National Government continue to evade responsibility the Japanese Army will be compelled to take action from its own standpoint. The responsibility for whatever consequences may follow such action would entirely lie with the Chinese."

With reference to a report cabled from Tokyo by *Reuters* Service on September 21st, referring to the creation of another "buffer-zone" in the north, the *Yomiuri Shimbun* contained a much ful-

ler account stating Japan's intentions to create a special territory consisting of five provinces in North China. It was declared that the Nanking Government" was unjustly opposing the self-governing movement growing in North China, that the Nanking Government was trying to oust the influence of Japan and Manchukuo from this area; hence in order to 'brighten conditions' in North China a special zone of Hopei, Chahar, Shantung, Shansi and Suiyuan provinces must be established with wide powers. Nanking would retain territorial suzerainty, but all political rights and other obligations would be handed over to the Hopei-Chahar Council. Nanking must abandon the right of appointing and dismissing officials, and also must forego the power of taxation and recognize the rights of the new regime to be created. The Chinese Army in North China must be reorganized and all Kuomintang branches in the territory dissolved."

It was stated further that the Japanese would demand the establishment of aviation services between Manchukuo and North China and between various points on the China coast and Japan proper. Further, China must reduce and revise her tariff in order to achieve Sino-Japanese economic cooperation. Finally the Nanking Government must employ as many Japanese advisors as possible.

The spokesman of the Tokyo Foreign Office declared that the removal of anti-Japanese movements in China "would involve the dissolution of all anti-Japanese organizations, prohibition of anti-Japanese school books and other anti-Japanese publications, and finally the dismissal from office of all anti-Japanese leaders." This in the opinion of the spokesman of the Foreign Office "would brighten the conditions and atmosphere of North China."

Apparently in response to these various expressions of a strong Japanese policy Yakichiro Suma, Japanese Consul General in Nanking, called on Chen Chieh, Vice-Minister of Foreign Affairs on September 25th and warned him that the National Government, "would not be allowed to escape the responsibility for recent incidents, hence China should readily assume its responsibilities in these matters and take steps to suppress them."

It remained for the *Shanghai Mainichi*, local Japanese newspaper, to analize in its issue of Sept. 26th the various political groups in Nanking with an indication of their attitude toward Japan. The paper alleged that there is a group within the Government "which welcomes activities directed against the Japanese." This group, which they designated as the "C. C. Group" allegedly was led by two brothers, Chen Kuo-fu, Chairman of the Kiangsu Provincial Government, and Chen Li-fu, Chairman of the Organization Department of the Central Party Headquarters at Nanking. The *Mainichi* said that the "C. C. Group" represents a constituent element of General Chiang Kai Shek's power, and is opposed by another group whose leaders are friendly toward Japan, including General Chang Chun, Minister of Foreign Affairs; Wu Ting-Chong, Minister of Industry; Chang Chia-ngau, Minister of Railways; General Yang Yung-tai, Chairman of the Hupeh Provincial Government and General Chen Yi, Chairman of the Fukien Provincial Government. This group was designated by the Japanese newspaper as the "Politico-Scholastic Group," most of the members of which speak Japanese and are well-acquainted with Japanese affairs." It was stated, however, that, while this group was well informed on Japanese affairs, it was not to be regarded as pro-Japanese and even though the members occupied high positions, this provided no guarantee that Sino-Japanese relations will be improved; but since the group threatens the power of the "C. C. Group", the result is a serious clash of views within the Government. The rivalry of these groups allegedly has grown sharper since the settlement of the Kwangsi trouble. The "C. C. Group", which according to the *Mainichi*, belives in Fascism, finds its greatest source of strength in the worsening of Sino-Japanese relations, because such a situation weakens the positions of its rivals. Concluding the *Mainichi* declared "We intend to compel the 'Politico-Scholastics', who are wrongly regarded as pro-Japanese, to abandon their dual policy and sweep out the terrorist gangs which exist in the very center of the Kuomintang Party."

National Salvation Association Refutes Kuomintang Allegations

A statement bearing the signatures of Ma Hsian-pah, Miss Soong Ching-ling (Mme. Sun Yat-sen), Miss Ho Hsiang-ning (Mrs. Liao Chung-kai), Sun Chun-zu, Chang Nai-chi, Lee Kun-po, Wang Tsao-shih, and Shih Liang was issued this week refuting statements contained in a circular notice, issued by the Shanghai Kuomintang Headquarters, referring to the National Salvation Association as an illegal body, not approved by the party and political circles, and branding it as a collective body of reactionaries. The notice alleged that the Association was collecting money to enrich individuals in the name of national salvation.

In reply, the statement said the All-China National Salvation Union, the Shanghai Federation of National Salvation, and other salvation bodies of the nation in the National Salvation Front have not registered with the Party and Government offices because on the one hand, freedom of association and assembly, as provided by the provisional constitution, has been completely destroyed by the laws later promulgated, governing the organization of people's bodies. These organizations, it was stated, support the provisional constitutions and could not conform to the laws which are against the spirit of this constitution.

The statement concluded: "We fail to understand why they have branded us as reactionaries, particularly since the Sept. 6 collections were for the purpose of sending material support to the anti-Japanese troops in Suiyuan. If it is reaction to raise funds to assist the anti-enemy troops of the Government, then does it mean that a proper and positive action is one in which we flatter the enemy and sell out the country? As soon as the campaign is concluded, we shall give a full and public account of the funds raised and their disposition."

The All-China National Association also issued a manifesto demanding that the government resort to force of arms to resist the enemy, who utilize "incidents" to occupy Chinese territory. The Association reiterated a demand that the Nanking Government refuse to accept any unreasonable demands brought forth by the enemy.

Japanese Extend Military Sway to Yangtsze—Would Use "Abyssinian" Methods Here

SPECIAL EDITORIAL CORRESPONDENCE

WHEN Nipponese soldiers severed Manchuria from China by a well-planned coup five years ago, the Foreign Office justified the action by a list of 300 outrages alleged to have been committeed against His Majesty's peace-loving subjects by the wicked Chinese authorities.

The explosion of a bomb on railway tracks near Mukden, the Gaimusho agents echoed throughout the world, was the last straw that broke the back of Japan's patience. The Kwantung Army, they declared, had no alternative to occupying the three Northeastern Provinces to assure the safety of Japanese lives and property.

Later, cloaking its designs with the useful term—"self-defense,"—the Kwantung Army extended its sway to Jehol, Chahar and Hopei. Last year, the protection of Nipponese subjects in North China became such a complex task, that the Japanese Garrison was doubled in size and made an independent unit. Today, to make North China safe for the Japanese, Nipponese military agents are tightening their grip on all territory north of the Yellow River, including the provinces of Shantung, Shansi and Suiyuan.

In the light of this introduction, the events of the last ten months, since the murder of Warrant Officer Hideo Nakayama, on his way to the naval barracks from a house of ill-fame, assume a new sigificance.

The murder marked the beginning of a new list of outrages compiled by the Gaimusho to justify a new chapter in the history of Nipponese imperial designs on the mainland. Together with major incidents, such as the assassinations of Kayau and Seaman Taminato in Shanghai, of two newspapermen in Chengtu, of a police constable in Hankow and a store-keeper in Pakhoi, the Nipponese consular officials in China began to file for future reference such major outrages as fights between Chinese and Japanese children, unfriendly looks, gestures and words; pear cores tossed out of windows while Japanese marines were passing by; and "Wise-cracks" telephoned to Japanese homes by Chinese dull-wits.

Japanese school children were asked,—nay ordered,—to report on all attacks made upon them by the Chinese, thus starting a number of imaginative youths on a path of glorious adventure.

The murders have already served as a justification for the landing of Japanese bluejackets in Hankow, Shanghai and Pakhoi. Japanese patrols have been dispatched, over Chinese protests, to Chapei, where in the shadow of the ruins of the 1932 hostilities, now barricades have been erected.

Each new incident led to a barrage of demands, which not only sought apologies and an indemnification of the victims, but also extended to the entire field of relations between the two countries.

Following the murder of Nakayama, the Japanese authorities secured a reorganization of the local Kuomintang and certain minor concessions in North China. When Kayau, a sea-food broker, was shot dead while walking with a child in his arms on Chi Mei Road, on July 10, the Japanese demanded a drastic readjustment of Sino-Japanese relations. This tune, although in an ever-increasing volume, was repeated following each successive incident.

A few days after the brutal murder of two newspapermen in Chengtu, the Tokyo *Nichi-Nichi*, one of Japan's two largest papers, reported that the Foreign Office intended to file the following demands with Nanking:

1. Suppression of the anti-Japanese movement, prohibition of anti-Nipponese meetings, dissolution of anti-Japanese organizations, and a revision of text-books and educational curricula to eliminate all traces of anti-Nipponism.
2. Cessation of anti-Nipponese activities by the Kuomintang, and the adoption of responsibility for such by the Nanking Government.
3. Permission to open a Consulate-General in Chengtu;
4. Formal apology by the Government; punishment of the culprits and the responsible officials and an indemnification of the attacked men.

The murder of Nakano, an aged Japanese who is said to have had serveral Chinese wives and a flock of children, gave the Tokyo Navy an opportunity to give a demonstration of its new "southward" policy. Japanese warships were rushed to Pakhoi and the coveted island of Hainan. The Navy Ministry belched fire and thunder and Rear-Admiral Satoh, naval attache, began commuting ominously between Shanghai and Nanking.

The Tokyo press reported that high naval officials intended to adopt a "stern stand," demanding an immediate readjustment of Sino-Japanese relations, and meanwhile landing bluejackets in Chongking and Pakhoi, in both of which, incidentally, there are no Japanese residents. Less than a week later, a naval landing party did set its feet down in Pakhoi, ostensibly to protect Nipponese investigators of the murder.

On Sept. 21, two days after the murder of Constable Yoshioka in Hankow and two days before the attack on bulejackets in Shanghai, the Tokyo Yomiuri reported that the War and Navy offices have agreed on the following demands to be submitted to Nanking:

1. Nanking's assent to the creation of an autonomous regime in the five northern provinces, with the Central Government retaining only a purely nominal territorial sovereignty.
2. A fundamental revision of the tariffs imposed on Nippon-made goods since the Mukden Incident of 1931.
3. Settlement of the question of communications, with emphasis on the opening of new air routes between Japan and China.
4. Employment of the largest possible number of Japanese advisers by the Central Government.

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The situation at this juncture was such that even men not ordinarily endowed with the happy gift of foresight, freedly prophesied new murders. There were,—and still are,—a large number of parties whom new incidents would have profited. Korean revolutionaries would not hesitate to revenge past injustice by shooting a few hapless Japanese. Gen. Chiang Kai-shek's enemies, would only be too happy to embarass him by creating new Sino-Japanese incidents. The Japanese Navy itself,—and here we admittedly tread upon forbidden grounds,—would not regret a murder or two if these would aid in convincing Nanking of the benefits of close co-operation with Japan.

Therefore, when a gang of gunmen last week killed a Japanese bluejacket and wounded two others, the attack did not occasion much surprise. On the contrary, a high naval officer here even incautiously revealed that the Japanese naval authorities anticipated new incidents and had made suitable preparation for them. Steel-helmeted patrols appeared on every street corner with dispatch and efficiency, and before the sun arose the entire northern district of the city and a portion of Chapei were under what amounted to Japanese-declared martial law. The following morning reinforcements sent from the Sasebo Naval Base when a Nipponese policeman was shot in Hankow, arrived

here to add weight to the forthcoming Japanese demands.

Ambassador Kawagoe immediately discontinued his conversations with Gen. Chang Chun, Foreign Minister, although he did not follow the course advised by the hot-headed Rear-Admiral Satoh, who counselled withdrawal to Shanghai,—a step that would have been tantamount to a termination of diplomatic relations. Simultaneously, to the accompaniment of innumerable threats of "stern action" from Tokyo naval officers, the redoubtable Gaimusho spokesman Eiji Amau, and the local authorities, Ambassador Kawagoe presented Gen. Chang with an ultimatum demanding Gen. Chiang Kai-shek's return from Canton within a definite, short period of time.

The Japanese thus apparently planned to open direct negotiations with Gen. Chiang for a general readjustment of Sino-Japanese relations, in an atmosphere made conducive to calm deliberation by the arrival of new reinforcements from Japan and the continuous movement of Nipponese men-of-war up and down the Yangtze River.

The situation possesses several features which the outside world, much, to Tokyo's delight, does not appear to comprehend. No one in China, from Gen. Chiang Kai-shek to any petty merchant in Chengtu, Pakhoi or Shanghai condones the murders of Japanese subject. The assassinations have been, judging by the present indications, committed by members of terroristic organizations intent on embarassing the Generalissimo. The Nanking Government does not deny its responsibility for the incidents and is willing to give Tokyo any reasonable satisfaction.

The ringleaders of the Chengtu mob were summarily beheaded and offers have been repeatedly made to Tokyo to compensate the victims of the attacks. Determined steps,—and the Japanese do not deny it,—heve been taken to prevent the recurrence of anti-Japanese incidents throughout China. Free speech and the right to organize and protest have been suppressed to please the Japanese. Chinese involved in minor incidents have been punished to a degree out of proportion to their alleged crimes. To cite but two instances,—Editor Tuh of the *New Life Weekly* was sentenced to 14 months in jail for publishing an article considered derogatory to the dignity of the Japanese Emperor,while the owner of the cabaret involved in the now-famous "Pear Core Incident" was forced to agree to a daily kowtow before local Nipponese naval officers.

These efforts to settle the incidents have been ignored by Tokyo, whose heart is set on reshaping China's destinies according to its own pattern. Tokyo is not interested in finding the culprits who murdered its subjects. It is not interested in receiving a million, two, or even ten million dollars in indemnities, such as would have been claimed by the most belligerent of western nations, were its nationals assassinated in China.

What dose Japan want? This question is not difficult, for the answer has been furnished time and again by the Tokyo officialdom, the press and political observers. The best answer was, of course, supplied by Koki Hirota, the then Foreign Minister, in January of this year in the form of his "Three-Point Program," which was prepared in full collaboration with the Army and the Navy.

Mr. Hirota's program provided for the termination of anti-Japanese activities tn China; recognition of Manchoukuo by Nanking; co-operation with Japan in combatting communism, and, finally, assent to Japan's economic exploitation of North China.

With the passage of time and the virtual separation of Hopei and Chahar from the rest of China, the program acquired new provisions, which were not given official expression, but which, nevertheless, become a part and parcel of the Nipponese designs. It became understood, for instance, that China would not conclude any contracts with foreign firms without Tokyo's consent. The principle that no official unacceptable to Japan would be appointed to any high post in Nanking or in North China has also come to be taken for granted. The grant of autonomy to the northern provinces, although possibly never openly demanded by any Tokyo minister, has also become an integral part of the program.

These desires, undoubtedly already translated into a set of concrete demands, will be presented to Gen. Chiang sometime next week, when he is expected to comply with the Nipponese wishes and meet Ambassador Kawagoe.

The demands, aside from the settlement of the various incidents, which actually play a minor role in the current drama, are expected to be as follows:

1. Agreement to the autonomy of the five northern provinces, with Nanking retaining a purely nominal territorial suzerainty. In such a case, the East Hopei "puppet" regime would probably be merged with the new administration' dominated by the Japanese Army.
2. Assent to the Japanese exploitation of the northern resources: building of railroads, opening of coal mines; opening of iorn mines; construction of power plants, manufacture of salt, erection of new cotton mills. Chinese co-operation in the transformation of North China into a gigantic cotton plantation, supplying the mills of Japan with all the raw material they need.
3. Permission to station troops in Shansi and Suiyuan,—later possibly in Ninghsia,—in order to create a buffer zone between the two Mongolias and the Communist forces now operating in Kansu, Shensi and Szechuen.
4. Assent to Japanese plans in Inner Mongolia, which is already in effect an annex to Henry Pu Yi's great Empire.
5. Lowering of the Chinese tariffs on products of first necessity, most of which are made in Japan. Although Sir Frederick Lieth-Ross, who recently visited China on behalf of the British Government, also advised this step, its advantages would mainly be reaped by Japan, because of her geographical proximity, low costs of production, and the presence of Japanese warships in China waters.
6. A curb on the activities of the Kuomintang and the suppression of all other organizations which could be used as rallying points for the anti-Nipponese movement.
7. Complete cessation of anti-Japanese activities, revision of school books, strict control of the student movement, possibly assent to some sort of a propaganda campaign designed to make the Four Hundred Million love their brethren across the Japan Sea.
8. Undertaking to sign no contract with foreign firms without the assent of the Japanese Government; preferential treatment for Nipponese bidders.
9. Employment of Japanese military and civil instructors and advisers, and the firing of German, Italian and American advisers now serving the Chinese Government.
10. Assent to the inauguration of aerial communications with Japan, and, possibly, the adoption of various checks on similar foreign enterprises.
11. A pledge to exterminate communism in China, and a promise to be Japan's faithful ally in the unavoidable conflict with the Soviet bear,

Gen. Chiang is now in the unenviable position of having to face two dangers at the same time. If he accepts Japanese demands,—as he will probably have to—national indignation might cause him untold difficulties. If he refuses compliance, the Japanese will not hesitate to take action,—which this time will be backed by the Japanese public opinion, aroused to the proper degree of wrath by skilfully disseminated propaganda.

Exactly what steps Japan will take is difficult to foretell. Nipponese bluejackets might conceivably occupy the Hongkew District and a portion of Chapei and the new Civic Centre to form a new Japanese concession. A new incident might occur in North China permitting the Tientsin Garrision and the Kwantung Army to occupy the northern provinces by the force of arms. Diplomatic negotiations between the two countries might be broken off, and bluejackets

landed in Nanking "to project Japanese lives and property and guarantee the safety of Japanese diplomats similar to the situation which has prevailed in Peiping since the Boxer Rebellion. The situation is still extremely tense and new murders or other anti-Japanese incidents might occur at any moment, giving the Japanese the opportunity they crave.

This is where the list of anti-Nipponese atrocities, in which murders rub shoulders with pear-core incidents, will appear on the international stage to play its role. What Japan contemplates in China is so drastic that the rest of the world might not be able to digest it, even after the Manchurian interlude. The list will thus be called upon to supply the sauce of moral justification which would make the dish palatable for foreign stomachs.

Whatever happens, it is bound to take place in the next few weeks. With trepidation Nanking thus faces its doomsday. And when the outside world witnesses another Abyssinian episode in an Oriental setting, it will probably wonder why China was not given support when she asked for it.

Britain Informs League That Rearmament Will Be Continued Until Agreement Reached

FURTHER evidence of the fact that the British Government is stiffening its attitude in general, and particularly as regards its policy towards the continent of Europe, was seen in a speech before the Assembly of the League of Nations in Geneva Sept. 25, the keynote of which was that Britain would persist in her re-armament until the nations reached a limitation agreement. Disarmament, to be real, must not only be military, but mental; not only weapons, but war mentality must be laid aside, Mr. Eden said, adding that Britain could have no part or lot in a standstill in armaments which gave a permanent advantage to nations which had gone in for the most intensive arming in their power. The seriousness of the times, said the Foreign Secretary, demanded frank speech, and he must apologize for using less guarded language than usual.

A summary of Mr. Eden's speech is contained in the following three paragraphs:

> Nationalism was strong, and rival forms of government hurled defiance at each other. There was general weakening of confidence everywhere in the world. Each nation was expending in ever-increasing proportion of its national wealth upon armaments to the detriment of its economy. It was not a nice picture, but it was not hopeless. It was still possible for nations to work together. They must practice toleration and restraint. They did not increase respect for their own forms of government by pouring scorn upon those of other countries.
>
> Britain, Mr. Eden emphasized, would not allow anyone to wrest her democray from her. Democracy was the epitome of man's endeavors to find freedom, individuality and peace. That did not prevent them from realizing that other people felt just the same about their own forms of government. Britain accepted this fully and completely. An indispensable element in economic recovery was confidence in the future. They must respect each other's national system. They also needed an international order which should finally supersede the arbitrament of conflict among States. Civilization had to find means of putting this promise into practice, or it must perish.
>
> The policy of the British Government was to put its faith in the League of Nations.

While Mr. Eden was telling the members of the League that each country was entitled to decide for itself what form of government it desired, the inhabitants of Spain continued, and still continue, to carry on a civil war for the purpose of deciding that question with a ferocity that one would have liked to believe was impossible among so-called civilized peoples, but it is evident that the savagery that characterized the acts of the Spanish conquistadores in Mexico and Peru has survived throught all the centuries. The hatred of the radical elements against Roman Catholic priests has been evidenced by numerous incidents, in some cases the priests being murdered by women. At the Toeldo Cathedral all the priests were shot by the Reds with the sole exception of one who administered absolution to the beseiged during the defence of the Alcazar. The murdering of hostages seems to have become a matter of regular routine. A message from Bilbaoa Sept. 27, stated that as a sequel to the bombing of the town the previous day, during which many hundreds were killed and an almost equal number wounded, a mob broke into the prison and killed numerous hostages being held by loyalists, among them several from Irun and San Sebastain. Meanwhile the cordon which is being drawn by the insurgent forces around Madrid, the Spanish capital, is being drawn tighter day by day. The pressure on the capital has become so strong that certain of the Ministers have already gone to Alicante, on the southern coast, with a view to preparing a seat of government there, following the fall of Madrid, which they probably see as inevitable. The Government, meanwhile, is constructing three lines of defence around Madrid. Efforts of Government warships to prevent the leading of troops from Morocco on the southern coast of Spain are proving futile. One of the Government destroyers was sunk in the Straits of Gibraltar and another was badly damaged Sept. 29 while trying to intercept the transports.

As regards Palestine—very much in contrast with the policy of yielding which has characterized the British Government, during the past year or two—the British are displaying the utmost firmness—this, it may be mentioned, illustrating the strong influence which the Jewish people are able to exert in British affairs, both at home and abroad. Martial law was proclaimed throughout the Holy Land Sept. 20, when an Order-in-Council entitled "Palestine Martial Law Order," was issued empowering the High Commissioner (Sir Arthur Wauchope) to delegate powers to the General Officer Commanding the forces in Palestine—to make regulations securing public safety and defense. Twenty Arabs were believed to have ben killed and wounded in a fight at Jaba, Sept. 30. Meanwhile, hopes of intervention by Arab kings, in the form of an appeal to the Arabs to call off the general strike, have been revived.

As regards the Soviets, whatever opinion one may have regarding their form of Government or the results they claim to have achieved, there can be little doubt as to the shrewdness of Maxim Litvinoff, the Soviet Foreign Commissioner, who has once more expressed views that are entitled to the greatest respect. Speaking before the League Assembly at Geneva Sept. 28, M. Litvinoff, taking up the subject of "aggressors," said an aggressor who based his policy on superiority in brute force, was only amenable to the cold calculation of the relative strength of forces. The aggregate power of peaceloving countries, he said, considerably surpasses the strength of any possible combination of countries which an aggressor must muster; joint action by those forces would avert the peril of war and compel the aggressor sooner or later to ask to be admitted to the common system of collective security. "We are far from objecting to attempts to reach an agreement with even the most aggressive countries," the Soviet Foreign Commissar added, "but we are against allowing them to dictate terms of negotiations or paying them a bonus for condescending to negotiate." M. Litvinoff's dignified utterances contrasted with a fiery speech delivered in Moscow Sept. 25, by People's Commissar of Defence, Marshal Vorshilov, in the course of which he said, "The Soviet Union is at present the object of oral calumnious and heinous attacks against us. Our enemies are constantly preparing for war and unequivocally declare—who will be the main object of their base activities and their barbarous intentions. The Soviet Union is an eyesore to the capitalist world"—and more in the same strain.

Moorish Citadel in Toledo Destroyed

Alcazar, the historic Moorish citadel in Toledo, where a handful of insurgents succeeded in holding out against overwhelming odds during seven weeks, was destroyed and blown sky high Sept. 18 when the besieging Government forces exploded a mine uuder the fortress. The decestruction of Alcazar was the culmination of one of the biggest struggles in the civil war.

China at Momentous Cross-Roads, Says Foreign Minister Arita

"China is now at momentous cross-roads: she must decide whether or not to shake hands with Japan," declared Mr. Arita, in the course of a long statement in Tokyo Sept. 28, which, he said, was "intended for the purpose of making Japan's attitude explicit to the world generally." "I most earnestly hope," he continued, "that China will grasp our hand in friendly response, whatever difficulties she may have to surmount. The outcome of the present Sino-Japanese negotiations can only be very much better relations between the two countries, or very much worse. In the existing situation, they shall not be permitted to drift in the ambiguous manner prevailing in the past." The statement, which was unexpectedly strong, was made by Mr. Arita before some 40 foreign correspondents whom he received at the Foreign Office.

In the course of his statement Mr. Arita said: "The Chinese authorities, on more than one occasion in the past, have issued statements or made pledges undertaking to control the anti-Japanese agitation in China, but all these undertakings have been of no avail. In fact, the Japanese in China have repeatedly suffered unspeakable outrages at the hands of Chinese agitators, over a dozen cases of this nature, to count the principal ones only, occurring in the short space of the last ten months. All those unfortunate incidents may rightly be said to be the logical consequences of anti-Japanese instigation and other forms of the anti-Japanese policy practised for many years by the Chinese Government and the Kuomintang. Even if some of these incidents may, as is maintained by the Chinese side, be possibly attributed to communist attempts to alienate Japan from China, they should not be settled in the same manner as the ordinary cases of murder, assault and battery disposed of in China.

"A mere settlement of these incidents themselves is not enough. A decisive step forward should be taken to strike at the root of the trouble, in order to prevent the recurrence of any such incidents. China should carry out an effective control of the anti-Japanese agitation."

Premier Hirota the same morning approved the steps taken by the Foreign and Navy Offices in connection with the renewed tension in Sino-Japanese relations. In a 50-minute interview with Admiral Osami Nagano, Navy Minister, and Hachiro Arita, Foreign Minister, the Premier discussed at length the measures adopted in China to accord better protection to Japanese residents and to accelerate the discussions for a readjustment of the relations between Japan and China.

Three of Japan's leading Cabinet ministers, Mr. Hirota, the Premier, Mr. Arita, Minister for Foreign Affairs, and Admiral Nagano, Minister of the Navy, conferred for an hour the same regarding the Chinese situation. They discussed, it is reported, the little progress made in Nanking concerning the negotiations with the Chinese Government on the Japanese decision to deal directly with General Chiang Kai-shek, and also the attitude of the Chinese Government on this question. Views were also exchanged regarding Japanese policy in China in the future.

Japan Not Specifying Anti-Nipponism Curb Measures, Says Arita

Because it believes that China should work out such measures herself, the Tokyo government has not specified any definite steps for the eradication of anti-Nipponism in China, Mr. Arita, Japanese Foreign Minister, stated in Tokyo Sept. 28 in replies made to foreign correspondents.

Analyzing anti-Japanese agitation in China, Mr. Arita divided it into three categories. First he cited the kind which was designed to embarrass the Nanking government; the second group he said, consisted of Communist-inspired agitators who were anxious to create more trouble between Japan and China. Last he named the campaigns carried on by the Chinese Government itself "because of a misunderstanding of Japan's China policy and as a result of the Kuomintang's revolutionary diplomacy."

The *Japan Advertiser* quoted Mr. Arita as having said that there was no such word as "war" in his diplomatic vocabulary. However, the *Advertiser* commented: "There is no doubt left in anybody's mind that Japan will resort to force. That is a warning which the Foreign Minister has now officially conveyed to the Chinese in the first place, and to the world generally."

Influence of South Manchurian Railway Extends to Fukien

A Foochow message to the *Shun Pao* Sept. 28 said considerable attention should be given to the extension of the influence of the South Manchurian Railway to the Province of Fukien. The Japanese pretext is that they have been invited by the Fukien Provincial Government to offer technical assistance to the Chinese. While investigations and survey work along the coast in Amoy have been completed, the Japanese are preparing for the construction of railways from Anchi through Changping, Hwa-an, Changtao, Lung-chi to Sungyu sea-port, upon the completion of which the Japanese will be able to exploit the iron mines in Anchi and the coal mines in Lungyen, near Changpin. Furthermore, the Japanese are contemplating the extension of this railway to the Province of Kwangtung and Kiangsi to compete with the Hankow-Canton Railway.

Japanese Marines Place Barriers in Hongkew Streets; Country Generally at Tension

DESPITE the shooting incident in Hongkew on the night of Sept. 23 the district has remained fairly quiet. The Japanese naval authorities reduced the number of their patrols in the area within 48 hours after the incident. Officials of the Japanese Naval Landing Party, the Shanghai Municipal Police and the Public Safety Bureau are continuing their search for the culprits. Three suspects, captured soon after the shooting, were held in the Hongkew Station of the S.M.P., with the officers of the Special Political Branch in charge of the investigation. They are to appear at the First Special District Court Oct. 3, but it is believed that the actual murderer, who emptied a military Mauser pistol at the sailors, is still at large. The two wounded men are recovering. A reward of $5,000 for information leading to the arrest and conviction of the person or persons responsible for the murder of the Japanese bluejacket and the serious wounding of two of his comrades, was offered by the Shanghai Municipal Police Sept. 28. The headquarters of the Special Political of Branch of the Municipal Police, which was founded as a sequel to the murder of another bluejacket, Hideo Nakayama, on Nov. 9 last, were removed to the Hongkew Station immediately after the attack. The detained men are: Chang Yung-nien, a 21-year old food vendor, captured by a Japanese passer-by a few moments after the incident; Ma Yung-nien and Ma Yung-tai, printers. All of them steadfastly deny participation in the attack on the marines. Chang was charged with having attempted to hide a pistol in an S.M.P. sand-box immediately after the shooting.

Three pistols were recovered by the police: a Mauser found in the sand-box, and identified as having been used in the crime; a smaller revolver found in a dark corner of a North Haining Road alley, not far from the Willie's Theater; and another Mauser, found the following morning near the lavatory in the Public Garden. Students of Tung Wen College, a Japanese institution on Hungjao Road, received orders on Thursday to remain indoors, in view of the tense situation. The Momoyama Dance Hall, North Szechuen Road, used as the headquarters of the Japanese forces during the Shanghai hostilities of 1932, once again was converted into naval headquarters with sentries posted around the building and the machine-guns of an armored car replacing the neon-lights. On the whole the situation may be summarized as indicating that the Japanese do not intend to take any special measures at Shanghai but will use this Hongkew incident, together with those which have occurred in other parts of the country, to bring pressure to bear on China as a whole, particularly as regards "economic co-operation," by which euphemism is meant that China shall grant special privileges to Japanese and discriminate against other nationalities.

Immediately following the murder of the Japanese Marine, the Municipal Government of Greater Shanghai, ordered the Bureau of Public Safety to assist in the search, in the area adjoining the Settlement roads, for the murderers.

Nipponese sailors, in full military kit, patrolled the streets on the Hongkew District, Chinese roads running off North Szechuen Road, North Honan Road and a portion of the eastern district, immediately following the Haining Road incident. Tanks, armored cars and motorcycles, armed with machine guns, were held in readiness at strategic points throughout the northern district.

City Government Protests Against Patrolling of Chapei Area by Japanese Bluejackets

The City Government of Greater Shanghai Sept. 24 lodged a protest with the Japanese Consulate-General against the patrolling of the Chinese streets in the Chapei area by the Japanese bluejackets following the Hongkew shooting incident. Declaring that the step taken by the Japanese Naval Landing Party was a gross violation of China's sovereignty, the note demanded that the Japanese patrolling forces be immediately withdrawn from the Chinese area so as to avoid misunderstandings.

S.M.C. Official Condemns Japanese Patrol

In an interview with a representative of the *Hwa Mei Wan Pao* Sept. 25, a responsible official of the Shanghai Municipal Council was quoted as expressing the opinion that the action of the Japanese marines in taking over the Hongkew districts has undoubtedly violated the police jurisdiction of the S.M.C. in that area. The official added that the first step, which will lead to a solution of the present case, is the withdrawal of the Japanese patrols, explaining that the occupation of Hongkew by Japanese patrols would only tend to disturb the work of the S.M.C. police in apprehending the culprits.

Although the Japanese patrols in Chapei had been withdrawn as a result of the protests of the Chinese authorities, about 300 Japanese marines are remaining at Patzechiao, to the northwest of Chapei, the *Hwa Mei Wan Pao*, Sept. 25, stated.

A conference of local Japanese diplomatic, military, and naval authorities was held in the Japanese Embassy on Sept. 25 for an exchange of final opinions with reference to the Haining Road incident. At the meeting, they unanimously agreed that the Japanese Government should be urged to make a final decision to take most appropriate and effective measures in the consolidation of the means of self-defence and for protection of the life and property of the Japanese residents in China. At atmosphere of high tension pervaded the meeting from the beginning to the end, the *Shanghai Nippo* stated.

A warning was given to General Chen, Vice-Minister of Foreign Affairs, by Mr. Suma, Japanese Consul General in Nanking, during a ten-minute conference at Nanking Sept. 25. It was said in a Nanking message to the *Shanghai Mainichi* that the Japanese Consul had convinced the Chinese diplomat that the Nanking Government is fully responsible for the latest Shanghai and Hankow Incidents.

The immediate dispatch to China of "land and sea forces sufficient to accord full protection to a Japanese lives and property" was asked for in a resolution adopted at by the standing committee of the Federation of Amalgamated Japanese Street Unions in Shanghai Sept. 23 following a heated five-hour meeting.

Greater Shanghai Government Issues Proclamation

The Greater Shanghai Municipal Government issued the following proclamation Sept. 24:—

> "It is an established principle for the maintenance of a State that, internally, the people should observe discipline and engage in national reconstruction, while, externally, they should enhance the national prestige and promote friendly relations with foreign States. The citizens of this Republic should be friendly towards foreign nations, and must not manifest xenophobia either in speech or conduct. An express order to this effect has already been issued by the Central Government and made public by this Municipal Government. Fearing that the people of this Municipality may not yet have fully understood its significance, the Municipal Government again issues this proclamation for strict observance. In case of deliberate violation of this proclamation, no leniency will be shown."

Japanese Naval Landing Party Issues Warning Proclamation

In a proclamation issued early Sept. 24 Commander Kondo, Commander of the Japanese Special Naval Landing Party, declared that "the vigilant precautionary measures taken by the Japanese naval landing authorities were based upon the right of self defence." The proclamation read: "The actions, which our Japanese marines have taken at this time, are purely for the purpose of self-defence and for the protection of the life and property of our Japanese residents in China. Severe penalty will be inflicted upon those who, taking up a hostile attitude towards our Japanese authorities and residents, have endeavored to create disturbances to the detriment of public safety. It is highly expected that all local inhabitants should have a perfect understanding of our intention, and engage in their ordinary business as usual."

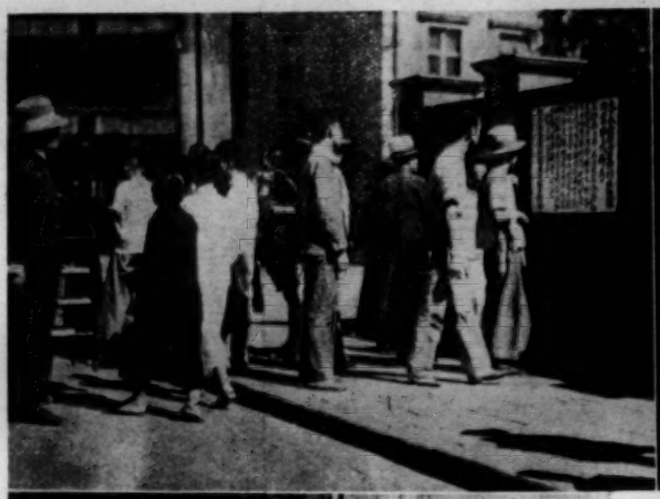
Shanghai Municipal Council Express Regrets

H. E. Arnhold, Chairman of the Shanghai Municipal Council, Sept. 24 conveyed the formal regrets of the Settlement administration to the Japanese authorities over the fatal attack. In a formal letter to Consul General Wakasugi it was said that the Council wished to express the regret and the concern at the unfortunate outrage which had occurred in the International Settlement resulting in the death of a Japanese sailor.

Funeral of Murdered Seaman Held on Board Japanese Flagship

The body of First-class seaman Taminato, victim of the shooting in Hongkew, Sept. 23, lay in state on board the Japanese flagship

JAPANESE "TAKE-OVER" LARGE AREA OF HONGKEW AND CHAPEI AS RESULT FOR SHOOTINGS OF JAPANESE



Above:—**Where the shooting occurred on Haining road in the Hongkew section of the International Settlement. The gunmen, allegedly four in number were concealed in the entrance of the dark alleyway and fired on the four Japanese bluejackets as they strolled by at about 8 :30 o'clock on the evening of Wednesday, Sept. 23. One Japanese was killed, two were wounded and the fourth escaped. The assassins, who fired 8 shots ran down the alleyway and escaped.**

Upper Left:—**Chinese reading a proclamation issued by the Commander of the Japanese Landing Party threatening "dire punishment" to any Chinese displaying anti-Japanese sentiment. The posting of this proclamation in the Chinese language by the Japanese military authorities without the authority of the Municipal Council of the Settlement aroused considerable apprehension in official circles.**

Center Left:—**Japanese bluejackets in full campaign regalia taking up positions in the cordon the Japanese established about the area, many streets being roped off to prevent ingress or egress to the district pending completion of a search of all Chinese houses and individuals.**

Bottom picture:—**This shows a Japanese machine-gun squad establishing its position at an important street intersection.**

Izumo from 3 to 3.30 p.m. Sept. 21. Thousands of local Japanese viewed the body. The burial service was held on the quarter-deck of the ship. Approximately 100 wreaths of artificial and cut flowers, shoulder high, ringed a circle in which a small altar, a section for the twelve Buddhist priests and chairs for the mourners, had been arranged. Long before the hour set for the funeral, the quarter-deck was packed with officials and others who desired to pay final respects to the deceased. The only foreign (non-Japanese) present were Captain H. M. Smyth, Assistant Commissioner of the S.M.P., and two newspaper representatives. At the close of the service a ship's squad fired three volleys as final tribute to the slain seaman.

The ashes of the slain seaman were taken from the *Izumo*, to the s.s. *Nagasaki Mrau* for transportation to Japan Sept. 28.

Dr. Paul Y. Ru, assistant advocate of the Legal Department of the S.M.C., assisted by both foreign and Japanese officials of the S.M.P.; Captain Makoto Tsukamoto commandant of the Japanese gendarmrie here; Capt. Liang Fu-chu, chief of the North Station branch of the Bureau of Public Safety; and many Japanese officials attended the inquest of the body of the slain sailor held by Lieut.-Commander Junkichi Ogawa, Sept. 24, at the hospital of the Special Naval Landing Party.

Japanese Marines Place Barriers in Hongkew Streets

The situation in Shanghai as it stood Sept. 23 was that Japanese armored cars and tanks were patrolling the streets, motor cars, street cars and buses were being stopped and searched, a cordon had been thrown around the Japanese Consulate, the Japanese reservists were called out, the Russian Volunteer Corps and police specials in both the French Concession and the International Settlement were standing by, and the Japanese had warned the Shanghai Municipal Council to take adequate measures to protect the Japanese community. Yet despite all this tension, the Hongkew area in the meantime quietened down very much, the Naval Landing Office presenting an aspect of almost sleepy routine, Japanese and Chinese in the markets and elsewhere carrying on their usual bargainings without tension or friction. But the fact that the Japanese Navy was on the *qui vive* was made evident on the morning of Oct. 1, when barbed wire barrier sections were placed at strategic points at various street intersections in Hongkew (notably on the north side of the Szechuen road bridge) ready to bar the streets at a moment's notice. Marines

at attention with fixed bayonets and drawn revolvers were standing by.

Eight Japanese destroyers, bringing a reinforcement of 200 additional bluejackets, arrived in Shanghai, Sept. 27. Immediately after the ships docked, a party of 200 bluejackets were landed and proceeded to the Japanese Naval Landing Party barracks on Kiangwan Road. Later in the afternoon, three of the destroyers left for an unrevealed destination.

The total number of Japanese marines in Shanghai is now estimated at over 3,500, the *China Times* stated Sept. 30.

The Japanese bluejackets stationed at Lusan Garden and the cemetery near Peitsechiao since the outbreak of the shooting were withdrawn Sept. 27.

Japanese Construct New Barracks in Chapei

On the site of a Japanese wine factory in Chapei, the Japanese naval authorities are building a temporary barracks to accommodate the newly-arrived Japanese marine units. The Yung Foong building on North Szechuen Road has been taken over by the Japanese military authorities.

Japanese marines are busy installing telephones and transporting munitions in the northern dsitrict.

Concentration of Chinese Troops Denied

With reference a report by the *Domei* news agency issued Sept. 26 that :—

> "from reliable sources it had been informed that 30,000 Chinese soldiers had been concentrated at Kashing and Chenju,"

Kuo Min immediately issued a statement to the effect that it had learned from official Chinese sources that the report was absolutely ridiculous. It was emphatically denied. Furthermore, it was stated there are only two regiments of the Chinese Peace Preservations Corps stationed, as usual, in Shanghai, while the raining of students and other civilians is, as is well-known, confined to ordinary military drill exercises.

The allegation in the *Shanghai Nippo* Sept. 28 was that the Nanking government was concentrating troops in the Shanghai area. At Kiating and Chenju, near the border of the demilitarized zone created by the Shanghai truce agreement in 1932, there were alleged to be 30,000 Chinese soldiers. Soochow, it was stated had but now suddenly become a center of great military activity. In Changshu, a district 60 li from Soochow, there were said to be now concentrated about 40,000 soldiers.

The Japanese newspapers also stated that the Workers' National Salvation Society and the Students' National Salvation Society were preparing demonstrations in Shanghai Sept. 26 and 27, but nothing of the sort eventuated. According to the *Shanghai Nippo*, 3,000 "plain clothes" agitators had arrived in and about the International Settlement to await a chance to start a serious disturbance.

Proposals submitted by the naval officers that Japan should immediately suspend diplomatic negotiations with Nanking and increase the number of Japanese troops in China were strongly supported by the Japanese Army, the Shanghai *Nichi Nichi* stated Sept. 25.

Shanghai Women Declared Active in Anti-Japanese Movement

The women of Shanghai, under the leadership of Miss Sze Liang, a woman lawyer, are taking a very active part in the anti-Japanese movement, the *Shanghai Nippo* stated Sept. 24. Miss Sze Liang was among those injured in the clash between police and demonstrators in Nantao on Sept. 18.

The Shanghai *Nichi-Nichi* Sept. 26 published a report that a well and dressed Chinese visited a Japanese business store the previous night, speaking in pure Japanese with scornful attitude, stated: "I am the spy of a certain Chinese Army. I have a pistol in my pocket now." As soon as the owner of the store telephoned to the police, he immediately slipped away.

The *Shanghai Evening Post* stated that much concern is felt in Chinese circles as it was revealed that Japanese authorities had acquired about 100 mow of land near the Japanese cemetery in Paiszechiao, Chapei, with the reported purpose of building barracks there. The lot, recently connected up with telephone wires by the Japanese engineer corps attached to the Special Naval Landing Party, is surrounded by black fences and closely guarded. A large quantity of building materials is said to have be piled up on the lot.

Buffer Zone Sought in North China?

Official Chinese circles in Nanking Sept. 23 were quoted by *Reuter* as saying that they were without information concerning the report that, as a sequel to recent "incidents," the Japanese may demand the creation of a buffer zone in North China, the revision of the Chinese import tariff, an agreement on Sino-Japanese communications and the engagement of Japanese advisers.

Earlier reports from Tokyo stated that the Japanese government were to demand the creation of a "buffer zone" of the five North China provinces. Indications were that the demand would be for the creation of an autonomous government inasmuch as the latter has been the goal of the Tientsin Garrison and the Kwantung Army officials for the last few months. Japanese press reports, again claimed that "district delegates" in Hopei have called on the North China officials and presented petitions for the inauguration of an autonomous state.

Japanese Insist That Chiang Kai-shek Shall Negotiate

Ever since the commencement of negotiations at Nanking the Japanese have insisted that General Chiang Kai-shek should return from the south and represent China in the talks with Shigeru Kawagoe, the Japanese Ambassador.

WELL PROTECTED!

This picture, taken by Japanese photographers and distributed to the local foreign press through official Japanese agencies, indicates how the Japanese treat their prisoners, this victim having been rough-handled to such an extent that his clothing practically was torn off. Note Japanese marines with drawn revolvers. This victim, named Chang Yung-hu, apparently a petty shop-keeper, was seized on Wednesday night following the murder of the Japanese bluejacket and after being held for a considerable period was handed over to the Municipal authorities. During the intense excitement following the shooting of the Japanese marine, Japanese marine squads held up Chinese pedestrians in groups, and in a few cases also foreigners.

The nature of the demands to be made on China, through General Chiang, were rumored to be as follows:

1. Autonomy of the five North China provinces of Hopei, Chahar, Shantung, Shansi and Suiyuan.
2. Economic cooperation with Japan.
3. Right to station troops in Yangtze ports and on Hainan Island.
4. Eight to examine textbooks and inspect schools to suppress anti-Japanese education.

These demands, are believed to have been presented to the Chinese government through General Chang in the third Chang-Kawagoe conference which took place in Nanking last week. General Chang is said to have flatly rejected the demands.

The term "economic cooperation" has not been specifically defined by the Japanese authorities but it may be taken for granted that a special lower tariff on Japanese imports and the granting of mining, communication, agricultural and industrial rights to Japanese official organs, including the South Manchurian Railway which already is active in North China and the closing of China's Open Door, will form prominent features of it.

Chiang Kai-shek Returns from South China

Gener Chiang Kai-shek returned from the South and resumed his temporary headquarters at Kuling beginning of this week. Ho Ying-chin proceeded to Kuling by air Sept. 30 to interview Gen. Chiang before proceeding to Canton, where he will assume his new duties as officer in charge of the Generalissimo's headquarters there. Gen. Chang Chun, who was to have visited Kuling to interview the Generalissimo, has decided not to do so after all but to await his arrival in Nanking.

Reports that Japan had set a time-limit for Gen. Chiang's acceptance of a number of unrevealed demands, or that she had served an ultimatum on Nanking, were denied in Tokyo Sept. 30 by a spokesman for the Foreign Office. Japan, he said, merely was asking of Nanking the eradication of anti-Japanese agitation and the readjustment of Sino-Japanese relations. The spokesman said that Japan's insistence that Gen. Chiang Kai-shek in person should conduct all future negotiations with the Ambassador remains unchanged.

Gen. Chiang Kai-shek, in a circular order to the Provincial and Municipal Governments Sept. 30 instructed that adequate measures be adopted for the protection of foreign nationals and the maintenance of local peace and order.

Wu Ting-chang, Minister of Industry, and Wang Shih-chieh, Minister of Education, proceeded by air to Canton Sept. 21 to report to Gen. Chiang Kai-shek, on recent developments in Sino-Japanese relations. They urged the Generalissimo to return to Nanking immediately.

Seiyukai Wants Adoption of Strong Measures in China

The Seiyukai, major Japanese political organization, went on record Sept. 24 as favoring the adoption of strong measures in dealing with anti-Japanese activities in China.

Y. Suma, Japanese Consul-General in Nanking, called on Chen Chieh, Administrative Vice-minister of Foreign Affairs, at the Waichiaopu for a 30-minute interview Sept. 25. Mr. Suma demanded a guarantee against the recurrence of similar incidents.

At a meeting of the Ministers of War, Navy, and Foreign Affairs in Tokyo Sept. 27, an agreement was reached on the attitude to be taken towards China in connection with the current crisis. Among the points agreed upon was insistence that Gen. Chiang Kai-shek should represent China in the negotiations on a general readjustment of Sino-Japanese relations. Gaimusho officials revealed that a definite proposal to open negotiations between Gen. Chiang and Mr. Kawagoe, within a certain period of time, had been forwarded to the Central Government. The officials expressed themselves as being dissatisfied with Nanking's reported intention to appoint Dr. H. H. Kung, Minister of Finance, as its representative in the conversations. Dr. Kung, they said, hardly can be vested with full powers, enabling him to speak for China. Since the final decisions always would rest with Gen. Chiang, Gen. Chang Chun, the Foreign Minister, would be as effective as Dr. Kung. A spokesman of the Foreign Office denied the report that Mr. Arita had given a pledge to the British Government to take no radical action in China.

Japan to Strengthen Diplomatic Line-Up in China

Strengthening of Japan's diplomatic and consular line-up in China during the present period of emergency was reached at a meeting of the "Inner Cabinet" of the Tokyo Government on Sept. 28, according to a *Hua Lien News* Agency report from Tokyo. The following steps were decided upon between Premier Hirota, Foreign Minister Arita and Navy Minister Nagano: To increase the number of special service agents in the Japanese Embassy; to expand the Japanese Consulates-General in Shanghai, Hankow, Nanking, Tientsin and Canton, as well as to expand their intelligence services; to strengthen the Japanese Consulate in Kalgan and to expand its special service section; to establish an office in Taiyuan, Shansi; to establish a Consulate in Kweihua, capital of Suiyuan; to establish an office in Tatung, Shansi, and Paotou, Suiyuan; to increase the number of special agents in Pailingmiao, Ninghsia and Lanchow; and to send more Japanese students to investigate conditions in Mongolia, Sinkiang, Tibet and Chinghai.

Instructions Sent to Admiral of Third Fleet

After an all-night conference, the Japanese War Office Sept. 24 despatched important instructions to Admiral Oikawa, Commander of the Japanese Third Fleet, holding the Japanese landing force in China responsible for the protection of life and property of Japanese residents. Preparations, it is understood, are being made for sending more troops to China if the situation becomes worse.

Foreshadowing a further increase in Japanese naval effectives in China, Emperor Hirohito Sept. 24 gave his approval to a set of measures submitted by the naval authorities. "No more conferences, no more statements. Now, only action," Admiral Nagano told the press that morning. Officials of the Tokyo Navy Ministry declared that the series of anti-Japanese "terroristic outrages" in China "not only manifest the insincerity of the Chinese Government, but also there is a good reason for believing that those outrages were instigated by some leaders of the Nanking Government and the Kuomintang party."

Mr. Arita summoned the Chinese Ambassador, Hsu Shih-ying, to the Foreign Office Sept. 25 and requested him to communicate to the Chinese Government Japan's intention to open direct negotiations with General Chiang Kai-shek, president of the Executive Yuan, for a general readjustment of Sino-Japanese relations.

A *Reuter* message from Tokyo Sept. 25 stated that S. Kawagoe, the Japanese Ambassador to China, had been instructed to continue his negotiations with General Chang Chun, the Chinese Foreign Minister, for a "fundamental adjustment of Sino-Japanese relations" despite the Hongkew outrage. The decision that the negotiations should not be interrupted as a result of the fresh killing of a Japanese subject was reached at a meeting of Japan's "Inner Cabinet"—consisting of the Foreign, War and Navy Ministers Sept. 24. The decision threwn cold water on those quarters which have been clamoring for drastic action against China by Japan's armed forces. It seems certain that the Navy intends to increase further the strength of its landing parties in China and to arrogate the rights to take severe local action in handling any future anti-Japanese incidents. At present, however, reinforcement of the Japanese warships in China waters is regarded as unlikely, while no military action of any sort is apparently contemplated.

Reuter stated that sagacious Japanese statesmen realize fully the potential pitfalls of an embroilment with China, not only because of the internal features of this huge country, but because of China's peculiar international relationships and Japan's moral obligations as a stabilizing factor in east Asia.

Ambassador Kawagoe Impatient at Delay

Ambassador Shigeru Kawagoe late on the night of Sept. 23 threatened to leave Nanking should the Chinese authorities "unnecessarily delay" the negotiations for a readjustment of Sino-Japanese relations, following his third meeting with General Chang Chun, the Chinese Foreign Minister. At this meeting with Mr. Kawagoe, General Chang explained the measures considered by the Chinese Government for the settlement of the affair and then expressed his views regarding the question of suppressing alleged anti-Japanese activities. Opinions were subsequently exchanged on general questions relating to the readjustment of Sino-Japanese relations. It was stated that General Chang had told Mr. Kawagoe that General Chiang Kai-shek, would come back to Nanking shortly, but no definite date was given.

There was a general movement of Japanese warships at various Chinese ports during the week. One of them anchored off Hsiakwan (Nanking) Sept. 28. Two proceeded from Wuhu to Hankow on the same date. A Tokyo message Sept. 29, stated that besides sending additional warships to Chinese waters, a special Naval Landing Party will be organied shortly and will be sent to be stationed in China. A message from Peiping Sept. 28 stated that enquiries have been sent by the European Powers and America to their embassies for further information about the present Sino-Japanese tension. It was reported that several warships belonging to Britain, France and America were be dispatched to Shanghai.

China Said to Have Presented Counter-Demands—A Denial

Reports that China has presented Japan with a set of demands were denied in well-informed Chinese circles in Nanking, *Reuter* stated Sept. 30.

The *Shanghai Evening Post* the previous evening had printed a report that China had made counter-demands on Japan, including an agreement to keep all Japanese landing-parties from Chinese soil; suppression of activities of "ronin" in general, and smuggling in particular; withdrawal of Japanese troops from Fengtai, near Peiping; and achievement of a Sino-Japanese understanding so that China can have a free hand in dealing with the "East Hopei autonomous" regime.

Chinese Press Opinion

Discussing the Haining Road shooting incident *The Ta Kung Pao* commented:—"It is most dangerous to base one's conduct on sentiments and feelings at a time of such incidents. Mob action is a most dangerous thing. We hope the authorities will keep calm and patient so that Sino-Japanese relations will not be worsened."

Discussing the Haining Road incident, the *Shun Pao* commented: "We express our deepest regret and concern towards the murderous outrage against the Japanese sailors. All disputes will vanish, should both sides take an attitude of perfect sincerity on the basis of mutual understanding. Suspicion will spoil the whole game. Wild passions should be strictly avoided, especially in a matter concerning international courtesy. We hope the Japanese authorities will stop all abrupt actions; otherwise, it will cast a gloomy shadow upon the future of Sino-Japanese relations. A peace-loving nation should have an attitude of forbearance within a certain limit. Should Japan not wish to aggravate the situation, she would think it over with due consideration."

The *China Times* commented that the order of the Japanese naval authorities asking the Japanese not to be disturbed by the recent shooting affair and remain calm in carrying out their work, deserves praise. "It is only through this kind of attitude that we can prevent the aggravation of the situation."

The *Ta Kung Pao* commented: "At the present time, China and Japan have the alternative of choosing either way, mutual existence and prosperity or mutual repulsion and extinction. It depends upon the cooperative efforts of both countries in manipulating the situation."

The Nanking *Hsin Min Pao* expressed the view that the gravity of the present Sino-Japanese tension has exceeded the Hopei crisis of the summer of 1935. As to the contents of the reported four demands to be served on China, they are but an expansion of Premier Hirota's "Three Principles" and a compilation of the miscellaneous demands with a view to seeking a total settlement. Analyzing the significance of the reported four demands, the first of which calls for the creation of a buffer zone in North China, the *Hsin Min Pao* saw in it a repetition of Japan's old trick in setting up another "demilitarized zone" in the provinces of Hopei, Shansi, Chahar, Shantung and Suiyuan. Coming to the engagement of Japanese advisers, the *Hsin Min Pao*,

pictured the day when China would become the second "Manchukuo" with everything placed under the supervision of Japanese. If that day came, there would be no alternative for China but to befriend and co-operate with Japan. If the reported rumors were true, the vernacular added, their nature would be more concrete than Mr. Hirota's "Three Principles" while the consequences would even be more disastrous than those of the Shanghai Truce and Tangku Truce. Compared with the notorious Twenty-One Demands then presented to Yuan Shih-kai in 1915, the supposed terms to be presented to China were characterized by the paper to be far more serious, for the former were designed to make China a protectorate of Japan while the latter, if proven to be true, would split unified China into so many independent regions. Not only would North China become the colony of Japan but the whole of China would be under the sphere of influence of the Island Empire. In that event, it would be futile for China to talk about territorial integrity as there would not be a chance for China to revive.

Japanese Press Opinion

Unless Japan has the determination and the courage to overcome the present impasse in Sino-Japanese relations "boldly", there can be no permanent Japanese policy towards China, the *Shanghai Nippo* declared Sept. 27 in an editorial urging the use of force to "protect Japanese lives and property in China, safeguard Japanese rights, and eradicate anti-Japanese sentiment from its very source." "If Japan wishes to preserve the privileges she has conquered and to protect the lives and property of her subjects, then she must display her military might in order to smash China's anti-Japanese psychology. There is no other road to pursue," this militant Japanese journal said.

Problems perplexing Gen. Chiang Kai-shek were reviewed at length by the *Shanghai Nippo* Sept. 26. The most important of these problems, the journal said, was the fact that the anti-Japanese movement, which was given life by the Nanking Government itself, was threatening to transform into a movement directed against Gen. Chiang himself. The second important question was the disposal of unfriendly factions in various parts of the country. His past efforts in this direction, the daily declared, have gone to naught of late, because of a number of political and economic reasons. Aggravation of relations with Japan was given by the *Nippo* as the third problem disturbing Gen. Chiang.

The *Shanghai Mainichi* Sept. 30 commented:—"It is well known that Gen. Chiang Kai-shek maintains the closest connection with the Blue Shirts and the C. C. group. When these fascist organizations want to perpetrate terrorist acts, they always hire thugs belonging to secret societies."

The *Shanghai Mainichi* Sept. 23 commented:—"We assert that Japan's policy is the outcome of a generous viewpoint in regard to China. We sincerely wish to help China in her construction. Although our policy may to some extent be harmful to China's 'face,' still, if everything is done according to Japan's proposals, then China will be prosperous forever."

Japanese Investigators Find Little Evidence at Pakhoi

Unable to pierce what they described as "studiously-professed ignorance" of Pakhoi villagers, official Japanese investigators into the Nakano murder returned to their quarters on Japanese war vessels anchored in Pakhoi harbor on the evening of Sept. 23. Accompanying them was the 20-year old son of the slain man. Japanese newspapermen who accompanied the investigators were not allowed to land, Chinese officials stating that they had not been authorized by the Canton authorities to let Japanese, other than the investigators, ashore. The Chinese investigation was concluded under strict martial law.

The report made to Tokyo by Chonosuki Tonegi, Chief Japanese investigator at Pakhoi, stated that the store operated by Nakano, and its contents, valued at $1,000, had been put in order by officials of the Bureau of Public Safety before the arrival of the Japanese investigators. The establishment was subsequently sealed and left in the care of the Pakhoi authorities. The family of the slain man appeared in Pakhoi from their hiding place in the country just as the body had been exhumed to be examined by the Japanese. An Annamite doctor, who held the inquest on the body before burial, and the widow, identified the remains.

All ten members of Mr. Nakano's family were taken by a Japanese warship to Canton where the investigation is being continued.

All Japanese Warships Withdrawn from Pakhoi

All the six Japanese warships sent to Pakhoi following the assassination of the sole Japanese resident there departed Sept. 25. Lin Sze-fen, the Chinese investigator, on the same date proceeded to Canton where he reported the results of his investigations to the Chinese authorities.

Remains of Japanese Druggist Cremated at Pakhoi

In the presence of Mrs. Nakano, the Chinese wife of the illfated Japanese druggist, who was shot dead at Pakhoi some time ago, and her two children, an inquest was jointly held by Ling Shih-fen, Secretary of the Liangkwang's Foreign Affairs Commissioner's Office, and a Japanese investigator at the burial ground in Pakhoi Sept. 24. Mr. Nakano's remains were creamted later in the morning.

Pakhoi Incident Referred to Nanking

The Pakhoi incident has been referred to the Foreign Office, and must, therefore, await Nanking's instructions before negotiations for a settlement can be started locally, declared Dr. Philip Tyau, Foreign Affairs Commissioner of Kwangtung and Kwangsi, in an interview at Canton Sept. 26.

Gen. Yu Han-mou Promises to Protect Japanese

Gen. Yu Han-mou, Pacification Commissioner for Kwangtung, Sept. 25 promised Toyoichi Nakamura, Japanese Consul-General at Canton, that measures would be taken to prevent any terroristic outbreaks against Japanese residents in the province.

Formosan Army Headquarters Watch Developments at Pakhoi

Tension has been manifested within the Formosan Army since the night of Sept. 14 with the aggravation of the Sino-Japanese situation centering on the Pakhoi Incident. Headquarters of the Formosan Army in Taihoku are being heavily guarded by gendarmes, a recent message from Taihoku stated. Major-General Rippi Ogisu, chief of staff of the Formosan Army, in a statement said, "We, the Formosan Army, are keeping close watch on the developments at Pakhoi Incident with great interest, as it is the first line of the Japanese southern front. It is to be hoped that China will awaken at the earliest moment from its traditional delusions and swing on to the right path with the present incident as the turning point."

Two Japanese Merchants Leave Wuchow

It is reported that the Japanese owner of a business store at Wuchow in (Kwangsi Province) and his Japanese assistant left Wuchow for Canton because of the prevailing local anti-Japanese movement, the store being taken charge of by a Chinese.

As a result of Chinese and Japanese investigations, it is learned that the Swatow incident, in which a bomb was found in a Japanese shop, was not a reflection of anti-Japanese sentiment. The case has been settled amicably and the two Japanese warships sent to Swatow have returned to Makung Habor in Formosa, the *Sin Wen Pao* of Sept. 29 stated.

Efforts to effect Sino-Japanese co-operation in the investigation of the recent murder of a Japanese consular constable are at a deadlock, K. C. Wu, Mayor of Hankow, informed the *United Press* Sept. 25.

Chinese Authorities in Hankow Stated to Be Prepared to Fight

A Hankow message to the *Shanghai Mainichi* Sept. 22 stated that a secret meeting was held the previous day, attended by Gen. Yang Yung-tai, chairman of the Hupeh Provincial government, Gen. Cheng Wu, commander of the Wuhan garrison, the mayor of Hankow and the director of the Bureau of Public Safety, when decisions were reached, that in the event that a force of the Japanese Naval Landing Party is sent ashore, the 59th division would be mobilized to meet the emergency.

Domei reported the organization of a Residents Committee in Hankow to cope with the situation arising out of the murder of the Japanese policeman. The meeting was attended by representatives of the Hankow Japanese Residents Corporation, the Japanese Chamber of Commerce, the Consular Police, and naval and military officers.

A Hankow message to the *Shanghai Nippo* Sept. 23 stated that investigations conducted by the Japanese authorities have established the fact that the Japanese constable was killed by a Chinese who is a member of the Special Service Detachment of the 58th division of the Central government troops. The commander of this division, it was stated, is Gen. Yu Tsi-shih, a nephew of Gen. Chiang Kai-shek.

Capt. and Mrs. Jorgesen and other witnesses were cited in Chinese dispatches from Hankow as showing that the Japanese allegation that the Japanese Constable Yoshioka was killed in Chinese territory, but later removed into the Japanese Concession, was not true. The Chinese authorities at Hankow have a sworn statement from Mrs. Jorgensen who saw the killing from a ricsha 60 feet away. She declared that she saw Yoshioka fall to the ground at the same spot where his body was later found by Japanese officials. The account of this witness, it was pointed out, refutes the contention of the Japanese authorities that Chinese coolies or others dragged the body of Yoshioka from The Bund, north of the Japanese concession, to the sentry-box well within the boundaries of the concession.

Japanese Marines in Hankow Increased to 1,000

The total number of Japanese marines in Hankow, after the killing of the Japanese policeman, is now estimated at over 1,000 men, the *Shun Pao* stated Sept. 24.

Hankow Japanese Petition for Decisive Action

A meeting of the Japanese residing in Hankow was held Sept. 25 at the Japanese Calub. A resolution was passed to petition Premier, Hirota to take decisive action on the Yoshioka murder. They also decided to appeal to General Terauchi, Minister of Army, Admiral Nagano, Minister of Navy, Mr. Arita, Foreign Minister, and Mr. Kawagoe, Japanese Ambassador to China, to take measures against a like occurrence.

(*Continued on page 180*)

Direct Negotiations Between Kawagoe and Chiang Improbable; Suiyuan Invasion Held Imminent

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Nanking to Insist Negotiations Be Carried On Between Diplomats.**
2. **Conflict Between China and Japan Inevitable Unless Enmity Removed.**
3. **Autonomists Are Renewing Agitations In North China.**
4. **Japanese Troops Holding Maneuvers on Pei-Ning and Ping-Han Lines.**
5. **Invasion of Suiyuan Imminent As Irregulars Prepare for Attack.**
6. **Gen. Chiang Lays Down Four Principles to Enhance Efficiency.**
7. **Gen. Ho Ying-chin Made Director of Generalissimo's Canton Headquarters.**
8. **Executive Yuan Orders Reorganization of Kwangsi Provincial Government.**
9. **Yunnan-Burma Border Commission to Resume Work in December Next.**
10. **Rumored Report by Domei of Chang Hsueh-liang Assassination False.**

General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, who arrived at Nanchang from Canton on Sept. 28 after a stay of seven weeks there, is now at Kuling. Gen. Ho Ying-chin, Minister of War, and Kao Tsung-wu, Director of Asiatic Affair Department of the Ministry of Foreign Affairs, left Nanking for Kuling Sept. 30 by air to see the Generalissimo in connection with the Sino-Japanese situation. *Reuters* reported from Nanking Sept. 29 that direct negotiations between General Chiang and Japanese Ambassador S. Kawagoe are improbable, the Chinese authorities maintaining that General Chang Chun is fully capable of representaing the Chinese Government. Even though an interview may be arranged between the Japanese Ambassador and General Chiang, actual negotiations must be conducted through General Chang Chun.

At the meeting of the Ministers of War, Navy and Foreign Affairs at Tokyo Sept. 26, *Domei* reported, agreement was reached on the attitude to be taken towards China in connection with the current crisis. Among the points agreed upon, was the decision to insist that Gen. Chiang Kai-shek should represent China in the negotiations on a general readjustment of Sino-Japanese relations. Gaimusho officials revealed Sept. 27 that a definite proposal to open negotiations between Gen. Chiang and Ambassador Kawagoe, within a certain period of time, has been forwarded to the Chinese Government. The officials expressed themselves as being dissatisfied with Nanking's reported intention to appoint Dr. H. H. Kung, Minister of Finance, as its representative in the conversations. Dr. Kung, the officials said, can hardly be vested with full powers, enabling him to speak for China. Since the final decisions would always rest with Gen. Chiang, Gen. Chang Chun, Foreign Minister, would be "as effective" as Dr. Kung. A spokesman of the Foreign Office denied Sept. 27 the reports that Mr. Arita has given a pledge to the British Government to take no "radical action" in China.

Commenting on Chiang Kai-shek's personal participation in the conduct of Sino-Japanese negotiations, the *Shanghai Mai-Nichi Shimbun* in its editorial Sept. 29 writes:

"Chiang Kai-shek finally thought that it was unwise to delay his return to Nanking, for his return had been strongly urged by the Japanese authorities. Ambassador Kawagoe has finally succeeded in demanding the return of Chiang Kai-shek and his personal participation in the conduct of Sino-Japanese negotiations. To go a step further, he should test the sincerity of this Chinese dictator. Chiang Kai-shek's return to Nanking is inevitable, since the internal structure of the Chinese National Government has split up. H. H. Kung, Minister of Finance, who belongs to the pro-European and American bloc, has played an important role in Sino-Japanese negotiations, Wang Shih-chieh, Minister of Education, being sent south under Kung's instructions. Under such circumstances, Chang Chun, Chinese Foreign Minister, who belongs to the old Japanese bloc, is confronting a very hard position in coping with internal problems. It is, therefore, of absolute necessity to obtain the personal decision of Chiang Kai-shek. According to a foreign source of information, it is said that Chiang Kai-shek has decided to resign his post of President of the Executive Yuan, and that H. H. Kung will succeed him. Hence, it is not unexpected that Kung cabinet will be entirely composed of financial capitalists and the pro-Anglo-American financiers. "In view of the most important crisis in Sino-Japanese relations, Chiang Kai-shek has to make his final decision with regard to the internal split-up in the Chinese National Government; that is, to take the way of Sino-Japanese cooperation or of the dependence upon European and American countries."

CONFLICT BETWEEN CHINA AND JAPAN INEVITABLE UNLESS ENMITY REMOVED

The Tientsin *Yi Shih Pao* quotes at length an article by Dr. Hu Shih, eminent Chinese scholar and writer, in connection with the Sino-Japanese problem, as follows:

"The purpose of readjustment of the Sino-Japanese situation is to remove the cause of Chinese emnity towards Japan and prepare the way for Sino-Japanese friendship in the near future. So long as the antagonism of China towards Japan is not removed, it is futile to talk about the readjustment of the Sino-Japanese situation or about Sino-Japanese friendship. Enmity, it must be pointed out, is an attitude of mind. Sometimes it is due to unfair treatment but sometimes it is the result of misunderstanding. There are many ways of removing such an attitude of mind; persuasion is one of them. The reason why the Sino-Japanese situation stands in urgent need of readjustment is because the relations between the two countries have gone off the normal track and have entered a by path. The psychology of the two peoples is not only such as to render cooperation and friendship but there are so many questions constantly arising that the danger of a serious conflict is ever present. As long as these questions are not amicably and rationally solved there is no escaping a major conflict between the two countries. In this connection we wish to bring up certain conditions, the fulfilment of which we deem essential to a fundamental readjustment of the Sino-Japanese situation. They are: (1) The abolition of the State of Manchukuo and the return of the Four North-Eastern Provinces to China; (2) The abrogation of the Tangku agreement and the abolition of the demilitarized zone and the East Hopei Government. All secret agreements concluded between the two countries not in accordance with the regular diplomatic procedure also to be abolished. (3) When to respect Chinese sovereignty and to terminate all activities calculated to create a special situation in North China, and (4) The abrogation of the East Chahar agreement and the cessation of the Japanese activities in Chahar and Suiyuan."

AUTONOMISTS RENEW AGITATION IN NORTH CHINA

While high officials of the Hopei-Chahar Political Council are assembling at Tientsin, the autonomy movement is entering a new phase of its activity, reported *Shanghai Nippo* Sept. 29. Approximately 100 persons, describing themselves as "People's representatives," called on Gen. Sung Cheh-yuan at 9.00 a.m. Sept. 27 to submit a petition embodying the following demands:

(1) Establishment of real autonomy for Hopei,

(2) Establishment of a political organ to give expression to the people's will,

(3) Stoppage of the election of delegates to the National People's Congress in Nanking,

(4) Proclamation of financial independence of Hopei and Chahar.

JAPANESE TROOPS HOLDING MANOEUVRES ON PEI-NING AND PING-HAN LINES

Beginning on Sept. 26 the Japanese troops in Peiping and Tientsin started to carry out manoeuvres on a large scale on the western section of the Peiping-Liaoning Railway and the northern section of the Peiping-Hankow Railway. These manoeuvres will last until Oct. 16.

Japanese troops stationed in North China will stage a series of mammoth autumn maneuvres for seven days from Oct. 20 to 27 at regions between Peiping and Tientsin, according to *Central News*. A notice to this effect, it is learned, will be addressed by the Japanese Garrison Headquarters to Chinese authorities. All Japanese military units, including cavalry, infantry, artillery and engineering corps have been ordered to stand by for the sham battles.

About 900 soldiers of the Japanese Garrison Headquarters left Tientsin Sept. 28 in two groups for Yangsun to take part in the autumn maneuvres now being held by the Japanese forces in North China. The first group, about 300 men, left by train bringing with them about twenty horses, while the second group of 600 men left by motor lorries.

Lieut.-Gen. Kanichiro Tashiro, commander of the Japanese forces stationed in North China, called a staff conference in 4 p.m. Sept. 24 to discuss measures against possible anti-Japanese outbreaks in this region, similar to those which have taken place in central and south China.

INVASION OF SUIYUAN SAID INEVITABLE AS IRREGULARS PLAN ATTACK

Despite the present lull, *Central News* reports that an invasion of Suiyuan by the irregular troops now in northern Chahar, under the influence of "Manchukuo", is only a matter of time. In the

event such an invasion should come to pass, the bogus army would direct their attacks on Fengchen in southern Suiyuan and Tatung in northern Shansi with the objective of disrupting communications on the Peiping-Suiyuan railway. Wang Ying, the notorious leader of the irregulars, who has been strengthening his forces in Northern Chahar since his previous abortive attempts to occupy the five Eastern Suiyuan towns, was said to have originally planned a large scale invasion of Suiyuan at the end of September. Due to incompletion of preparations, Wang Ying has postponed his scheduled attacks. Wang is said to be now increasing his supply of arms and ammunitions and strengthening his infantry units. In view of this situation, the Suiyuan military authorities are taking strict precautionary measures against any possible emergencies.

Large quantities of firearms have been transported to the army of irregulars in North Chahar from "certain" quarters during the last few days, reported *Central News* Sept. 29. "Manchukuo" irregulars under the command of Wang Ying, the bandit leader, are still concentrated in Shangtu, in western Chahar only a few miles from the Suiyuan border, and thereabouts, while Li Shou-hsin, commander of the bogus Mongolian Pao An Tui is now in Changpei, about 35 kilometers north of Kalgan. Prince Teh, chairman of the Inner Mongolia Local Autonomy Council at Pailingmiao, other reports state, is now in Chapser, not far from Pangkiang, leaving the affairs of the Council in the hands of Prince Kao, secretary-general of the Council. Pao Yueh-ching, formerly director of the Peiping office of the Council, these reports say, recently proceeded to Liaoyuan in central Liaoning Province, but the reason of his trip is not known. Gen. Pao is now on his way back to Chapser to assume his new post as a divisional commander under Prince Teh.

The Japanese have submitted a number of demands to General Fu Tso-yi, Chairman of Suiyuan, regarding the situation in Eastern Suiyuan where 20,000 "Manchukuo" troops have been concentrated for a drive into Suiyuan, reported *Shun Pao* Sept. 27. General Fu is said to have ignored the Japanese demands. Strong defensives have been erected by the Suiyuan forces to repulse the invaders.

JAPANESE ACTIVITIES IN WESTERN SUIYUAN AND SINKIANG

In addition to a radio station, the Japanese are building an airdrome in Paotou, according to *Sin Wan Pao* Sept. 27. They are also planning to operate an airline between Peiping and Paotou. A number of buses have been sent to Paotou lately for the operation of a bus line between Paotou and Ninghsia. The authorities are trying to stop the Japanese from building the airdrome.

The Japanese vice-consul in Kalgan left Kalgan Sept. 25 for Paotou on his way to Sinkiang on an investigation tour under the instructions of the Japanese authorities. It is reported that the Japanese vice-consul will be away for one year. He will spend all his time in Chinese Turkestan.

According to *Hwa Mei Wan Pao* Sept. 28, 50,000 plain-clothes men have been organized in North Chahar for the purpose of attacking East Suiyuan. These people are supplied with arms manufactured by the Northeastern Arsenal in Mukden.

PEIPING ORDERS ADEQUATE PROTECTION FOR FOREIGN RESIDENTS

Adequate measures for the protection of foreign nationals residing in the Peiping area were emphasized in an order issued Sept. 26 by the Peiping Municipal Government. Besides calling attention of the people to the necessity of maintaining friendly relations with foreign subjects, the order instructed the Bureau of Public Safety to provide ample safe-guards to the lives and property of foreigners. The order was issued in pursuance of a recent National Government mandate reiterating its previous decree for the maintenance of friendly relations with neighboring nations.

On the occasion of National Independence Day, October 10, General Sung Cheh-yuan will issue a manifesto reporting on his laborious task in maintaining peace and order in North China during the past year and reiterating the importance of cultivating friendly relations with neighboring countries in accordance with the Mandate of the National Government.

GEN. HUANG FU IS REPORTED VERY ILL

Lih Pao reported Sept. 29 that Gen. Huang Fu is very ill, and a specialist has been summoned from Berlin to give him treatment. This specialist is expected to reach Hongkong from Berlin by airplane in the early part of October.

Wang Keh-min, who resigned his post as chairman of the Economic Committee of the Hopei-Chahar Political Council, will remain in Tientsin for the time being, reported *China Times* Sept. 27. Gen. Sung Cheh-yuan is urging Mr. Wang to give his assistance to the Hopei-Chahar Political Council.

YIN JU-KENG SAID PLANNING TRIP TO JAPAN

Yin Ju-keng, head of the bogus East Hopei regime, is planning to take a trip to Japan in October for the purpose of making closer contacts with the Japanese authorities. It is reported that he will first go to Changchun and call on the Manchurian authorities prior proceeding to Japan.

Chao Lei, commander of the Peace Preservation Corps in Tangshan, Foongyuen and Tangku, is instigating a movement for the overthrow of Yin Ju-keng in East Hopei. Chao, who is proprietor of more than 400 gambling houses in East Hopei, is collecting $10 a day from each of these gambling houses. It is reported that Chao has made a fortune lately in the gambling and smuggling businesses.

Mr. Sawata, Japanese Ambassador to the United States and Mamoru Shigemitsu, Ambassador to the U.S.S.R. arrived Tientsin Sept. 27. After a dinner at the Japanese Consulate given in their honour, the newly-appointed ambassadors interviewed Lieut.-Gen. Tashiro, Commander of the Japanese forces at Tientsin.

JAPANESE DIET MISSION TO VISIT SOUTH CHINA

A parliamentary mission, including nine members of the House of Peers, left Tokyo Sept. 29 for a four-week inspection tour of South China and Formosa. The group, which will return on Oct. 26, is headed by Zembei Horikiri, a member of the Lower Chamber and former vice-minister of Finance.

A number of Chinese military attaches were appointed by the Chinese Government to attend the Japanese special manoeuvers in Hokkaido. They left for Japan Sept. 27 on board the *Nagasaki Maru*.

Shanghai Nippo reported Sept. 24, that the Chinese National Government has endeavoured to check the Japanese influences in North China by means of cooperation with England, the United States, and Soviet Russia. A secret agreement is reported to have been concluded by China and England, in which China will buy all material for the upbuilding of the Chinese railways from England or from other countries with her consent. Furthermore, it has been agreed that assistance will be offered to the British merchants in developing their commerce in North China.

GEN. CHIANG LAYS DOWN FOUR PRINCIPLES TO ENHANCE EFFICIENCY

After visiting the Sun Yat-sen University at Shihpai, Gen. Chiang Kai-shek, president of the Executive Yuan, received high officials of the Kwangtung provincial and Canton municipal government officials at his Whampoa Headquarters Sept. 27. Besides inquiring thoroughly into the various phases of reforms so far initiated by the new administration, Gen. Chiang exhorted them to remember four simple principles for the enhancement of administrative efficiency. Firstly, the Generalissimo stated, those who direct should continuously familiarize themselves with the progress of their subordinates so that efficient and diligent members may be encouraged, and promoted, and the indolent and neglectful ones may be punished or discharged. Secondly, according to Gen. Chiang, the old habits of procrastination in the Yamen days should be discarded and time economy in all official duties should be practiced to the fullest extent. "Never complain of hardships or too much work," Gen. Chiang was the third principle. Particularly should this trait be inculcated into the minds of the public functionaries, Gen. Chiang said, because it requires more work and time to change what was a corrupt and inefficient administration into an efficient one. Lastly, Gen. Chiang emphasized, there should be whole-hearted co-operation between heads of the various departments and between directors and subordinates.

Further instructions concerning political reconstruction in Kwangtung were given by Gen. Chiang Kai-shek to high Kwangtung officials in the course of a speech delivered at the enlarged Sun Yat-sen memorial service Sept. 28 before his departure for Nanchang. Pointing out that the ultimate aim of the Chinese revolution is to bring order out of chaos, the Generalissimo exhorted the Kwangtung officials to establish a new political and social order in the province that is compatible with the spirit of San Min Chu I. Responsible officials, Gen. Chiang emphasized, should themselves lead a disciplined and rigid life so as to set an example for their subordinates to follow.

GEN. HO YING-CHIN MADE DIRECTOR OF GENERALISSIMO'S CANTON HEADQUARTERS

The appointment of General Ho Ying-chin, Minister of War in the National Government, to be concurrently director of the Canton branch headquarters of General Chiang Kai-shek, brings the total number of such offices to five. As the Central Government has gradually extended its control over various provinces of China during the past few years, it has been the practice of General Chiang to establish branch headquarters at strategic points to facilitate the administration of military matters in the areas concerned. General Ho is expected to leave for Canton to assume his new duties in about a week.

EXECUTIVE YUAN ORDERS REORGANIZATION OF KWANGSI PROVINCIAL GOVERNMENT

The long-expected reorganization of the Kwangsi provincial government under the reappointed governorship of Gen. Huang Hsu-chu, was effected Sept. 29 by the Executive Yuan.

The following appointements were made:
Lei-Ying—Civil Affairs Commissioner
Wang Chung-yao—Finance Commissioner
Wei Yun-sung—Reconstruction Commissioner
Chu Chang-wei—Education Commissioner
Su Hsi-kien—Secretary-General

Chi Liang-chi, Li Jen-jen and Lei Pei-hung were appointed members of the provincial government without partifolio.

The Executive Yuan meeting was presided over by Dr. H. H. Kung, Vice-president of the Yuan and Minister of Finance, in the absence of Gen. Chiang Kai-shek. The meeting also decided upon a partial reshuffiing of the personnel of the Sinkiang provincial

government. Chu Chung-hsin was appointed Reconstruction Commissioner to succeed Hsi Shih-chang, and Huang Fei-chang appointed Secretary-General to succeed Lu Mi-chu.

Measures relating to the reorganization of the Kwangsi Provincial Forces into the 5th Route Army were decided upon at a rehabilitation conference convened Sept. 26 by General Li Tsung-jen, Pacification Commissioner for Kwangsi and concurrently Commander-in-Chief of the 5th Route Army. It was decided, in accordance with the system of organization of the Central Government Forces, that the entire Kwangsi troops be reorganized into two armies, consisting of three Divisions each. The units under Weng Chao-yuan (Ong Chao-huan), former Brigadier Commander of the 19th Route Army, are to be reorganized into one Independent Division. All the Kwangsi troops have been ordered to concentrate at Watlam, south-eastern Kwangsi, and Liuchow, northern Kwangsi, for reorganization before National Independence Day, Oct. 10.

To facilitate the re-organization of the Kwangsi troops, the Canton Provisional Headquarters of the President of the Military Affairs Commission has telegraphed the Ministry of Finance to remit $3,000,000 to Kwangsi immediately. Beginning from October, a monthly subsidy of $300,000 will be remitted. Re-organization of the Kwangsi troops into the 5th Route Army is to be completed before National Independence Day, October 10.

Accompanied by Gens. Li Ping-hsien and Wang Chang-ping, Gen. Pai Chung-hsi went to Liuchow from Nanning Sept. 25 on his way to Kweilin. At Kweilin, Gen. Pai inspected the local militiamen and delivered a speech before them.

TSAI TING-KAI, LIU LU-YIN ARRIVE IN HONGKONG

Liu Lu-yin, chairman of the Central Publicity Department, who has never assumed his post, arrived at Hongkong Sept. 28 from Nanning where he recently aligned himself in the Kwangsi recalcitrant move against Nanking. Gen. Tsai Ting-kai, commander of the 19th Route Army, has also returned to Hongkong from Kwangsi.

General Huang Shao-hsiung, Chairman of Chekiang, who left for Canton last month on a peace mission, arrived at Shanghai from Hongkong Sept. 28 aboard the *President Mckinley*. Arriving on the same liner was Wei Tao-min, former Minister of Justice, who has been vacationing in Hongkong during the last few months.

T. L. SOONG RETURNS CALL ON HONGKONG GOVERNOR

T. L. Soong, Kwangtung Commissioner of Finance, spent six hours in Hongkong Sept. 28. during which he called on Sir Andrew Caldecott, Governor of Hongkong, as a courtesy visit in return for the latter's recent trip to Canton. Mr. Soong returned to Canton at the night aboard the s.s. *Fatsan*.

Tsou Lu, C.E.C. member and Chancellor of the Sun Yat-sen University, Canton, who has been touring Europe for the past two and half months, was due to arrive in Hongkong on Sept. 30 aboard the Italian liner *Conte Rosso*.

Under the instructions of the Central Government, the new Kwangtung Provincial Government is preparing a new three-year plan of reconstruction for the province. The plan is expected to be drafted within three months.

A mass meeting to celebrate the unification of the country and suppression of the opium-smoking and gambling evils in Kwangtung by General Chiang Kai-shek, President of the Executive Yuan and of the Military Affairs Commission, was held on Sept. 30, General Chiang addressed the meeting, which was followed by a parade in the principal thoroughfares of the city, and by appropriate celebrations at night.

Support to the anti-gambling campaign drawn up by the Kwangtung Provincial and Canton Municipal authorities has been given by the British and French authorities of the Shameen Concessions. The 14 regulations governing the suppression of this evil which were promulgated by the Kwangtung Provincial Government—it was stated, will be applicable in a modified form in the Shameen district. Meanwhile, Gen. Yu Han-mou, Pacification Commissioner, has also issued instructions to his subordinates, forbidding gambling even among their family members and laying down severe punishment for violators of said orders.

YUNNAN-BURMA BORDER BODY TO RESUME WORK IN DECEMBER NEXT

The Sino-British Commission for the demarcation of the Yunnan-Burma boundary, which suspended work last May on account of the prevalence of malaria in the areas, will resume activities on Dec. 1, according to *Central News*. Yin Teh-min, one of the two chief delegates of the Chinese Government on the Commission, has, however, resigned his position, Chang Tsu-yin, who has been appointed to succeed Mr. Yin, is now in Kunming and will shortly proceed to Nanking by plane to receive instructions from the Ministry of Foreign Affairs. The Chinese members of the Commission, according to Mr. Chang, will gather in Yunnan in the middle of October and expect to meet the British members on the Yunnan-Burma border on December 1.

JAPANESE RUMOR CHANG HSUEH-LIANG JOIN HANDS WITH REDS

The five divisions of troops under the command of Gen. Chang Hsueh-liang stationed in the five northwestern provinces of Kansu, Ninghsia, Shensi, Sinkiang and Chinghai were ordered by Nanking to suppress the communists. In encounters with the communists, however, they suffered great defeats, and as a result, entered into a truce agreement with their opponents, reported *Shnaghai Nippo* Sept. 29. Now, in order to consolidate his own power, Gen. Chang Hsueh-liang is recruiting fresh soldiers in Honan and Shensi. Through Gen. Shen Shih-tsai, Pacification Commissioner of Sinkiang, Gen. Chang Hsueh-liang will maintain an alliance with Soviet Russia. At a suitable moment the five provinces under his control will be organized into an independent state. Lately, Gen. Yu Hsueh-chung, a close associate of Gen. Chang Hsueh-liang, has received numerous supplies of ammunition from Gen. Shen Shih-tsai. In view of these developments, Gen. Chiang Kai-shek has ordered the First Division of the Central Troops, under the command of Gen. Hu Chung-nan to proceed from Shansi to Kansu.

A rumor circulated by *Domei* from Peiping Sept. 29 stated General Chang Hsueh-liang, Commander-in-Chief of the Anti-Communist Forces in the Northwest, had been assassinated. It was subsequently found that the rumor was utterly false.

ANXIETY FELT OVER BESIEGED CITY IN KANSU

Considerable anxiety has been caused over the fate of the city of Minhsien, about 150 kilometers south of Lanchow, which has been besieged by bandits for the past five weeks. As food supply in the city has been exhausted, a large number of people there die of starvation daily, according to reports received. The Kansu provincial authorities are rushing troops to the rescue of the city. Meanwhile, a military communique reports that another victory was scored by government troops on Sept. 17 when they routed over 600 reds under Hsu Hai-tung near Huyuan, Northern Kansu. The bandits fled in a southeasterly direction after sustaining heavy casualties.

Owing to the incursion of the "Reds" under Hsu Hai-tung and Mao Tse-tung in the various districts in eastern Kansu and those under Chu Te, Hsu Hsian-chien, Hsiao Ko and Ho Lung in southern Kansu, a serious loss in the farm tax of the province is reported. For the month of August, the Provincial Treasury incurred a deficit of $183,382. The shortage for the current month will be even heavier.

Large numbers of government troops are being concentrated in Kansu for the opening of a general drive against the Communists in the southern part of Hanchung. Gen. Hu Chung-nan has made a number of visits by plane to the front to inspect the troops and the positions of the Communists.

Liu Chung-ming, a regimental commander of the Communist army in Shensi, has surrendered to the government voluntarily, bringing with him more than 10 rifles, according to a message received at Sian from Kanchuan in western Shensi.

About 500 Communists launched a fierce attack on Pumen along the Chekiang border on the morning of Sept. 24, according to *Ta Kung Pao* Sept. 29. The same reports indicate that additional Government troops have been sent there to cope with the attackers.

The Red situation is serious in Western Fukien where the Communists under Mrs. Fang Tse-min have joined hands with those under Huang Li-kwei. Fang Tse-wu was executed last year by the government authorities. Two government divisions are said to have been rushed to Western Fukien to cope with the Communists.

PEOPLE'S ASSEMBLY TO BE HELD ON NOV. 12 AS SCHEDULED

Official circles in Nanking denied Sept. 25 current rumors to the effect that the National People's Assembly scheduled to be held on Nov. 12, may have to be postponed. Such speculation was probably based on reports that the elections of delegates to the Assembly from certain provinces might not be able to be completed on time. The same quarters stated that it was true there had been no little difficulties in connection with the preliminary nominations of candidates in certain areas, but was of the opinion that with more than one and half month to go all the elections would be completed before the scheduled deadline. As to delegates from the Hopei and Chahar provinces, it was learned that due to peculiar conditions obtaining there, special methods would be used to bring about delegations from these two provinces.

China's feminist movement will receive a serious setback as the nationwide campaign led by the National Women's Association to elect women candidates to the National People's Assembly scheduled to open on Nov. 12 is heading for a failure, says *Central News*. For some time the Association has entertained the hope that of the 1,200 seats in the Assembly one-third will be taken by women. A recent survey, however, shows that in preliminary elections throughout the country the femine groups have elected only 25 candidates, 12 of whom were nominated in Nanking. Competent observers are inclined to predict that not more than four woman delegates will receive enough votes for the Assembly in the final elections to be held soon. Thousands of handbills have been distributed here asking the local populace to vote for Miss M. K. Spohia Chang as reserved member of the C.S.C., Miss Chang has been successful in the preliminary election in Nanking.

Harbin Prepares for Soviet Air Attacks; Japanese Stage 4-Day Maneuvers

BY THE REVIEW'S HARBIN CORRESPONDENT

FOLLOWING the four days anti-air raid maneuvers held in Harbin, the population of this city appears to have got an inkling of what war with "a certain neighboring country" is likely to be. The maneuvers were held on September 16, 17, 18 and 19 to commemorate the fifth anniversary of the Mukden "incident" of 1931 and were unprecedented in their extent and realism, so that all those who participated in these exercises have undoubtedly received invaluable experience very useful in case of emergency. Since the dissemination of correct information about air defence measures appears to be essential in these days of general insecurity, when peace may be broken at any time, especially for those who reside in towns or places open to air attacks, no matter whether the enemy in question is the Soviet or any other country, the following description of how the air defence exercises passed in Harbin appears to possess some interest.

First, prior to the exercises, the authorities took great pains to disseminate correct information about the impending maneuvers, using all sorts of propaganda—the press, radio, lectures and even through special propaganda exhibits held in principal department stores in the city. So, as a result of this extensive propaganda the population already knew what was expected from it in the days of the anti-air raid maneuvers, since the conscientious participation of every one in these exercises appears to be absolutely essential for the defence against air attacks.

Then, all the defence activities were centralized in an air defence headquarters, composed of the representatives of the military and police authorities as well as the public bodies mobilized to take part in the exercises. The staff issued detailed instructions to all branches of a special air defence association, organized in every block, school, department store and big administrative building, so that, prior to the exercises, every member of the association already knew his specific duties, that is, what to do before, during and after the raid. The association is a permanent body and is composed of all members of the population, the Japanese, Chinese, Russians and Koreans, and its branches or "cells" hold frequent meetings to study the specific instructions handed to them by the air defence headquarters. As a result of this thorough and well planned preparation, Harbin is certainly ready to meet any air attack, so that if a war were to break out to-morrow it would not take the city unprepared.

Speedy Repairs of Public Utilities

Adequate provisions were made for speedy repairs of public utilities, as railways, tramways, telegraph and telephone lines, light and water systems, so that the "damages" wrought by imaginary bombs to these systems were attended to swiftly and with precision by special repair squads maintained by these services in various parts of the city. It was indeed a treat to the eye to see these repair squads rushing headlong in trucks to places reported "damaged" and attending to their duties with a swiftness to be admired.

Special attention was given to air attack alarms, which were simultaneously given by sirens, radio, telephone and, in the nightime, by switching off the light for a moment. As soon as these signals are sounded the members of the air defence association have to take their caps and gas-masks and to rush to their respective positions to be ready to put down the fire or to serve first aid to the wounded or gassed.

Three kinds of bombs were thrown down on Harbin by the attacking "enemy" aircraft in these exercises; ordinary, incendiary and gas, the hitting of each of these bombs being marked by a special signal. So, the ordinary bomb on hitting the ground emitted black smoke and pieces of paper, whereas the gas bombs emitted only black smoke. In the night exercises, when no color of smoke could be seen, the "explosions" of these bombs were marked by rockets let loose on the ground by men specially detailed for this specific purpose, namely: the ordinary, incendiary and gas bomb explosions were signalled by white, green and three successive green color rockets. All these rockets were apparently fired in places not known to the participants of the air defence maneuvers, to give an impression of realism to the exercises. In the day time, the bombs used were paper bombs of actual size filled by a smoke-emitting substance on hitting the ground.

The control of light during the air raids is of supreme importance, so before the commencement of exercises the defence authorities took great pains to instruct every one, through the press, radio and lectures, in the proper use of light in homes or in the streets. In homes, lamps had to be provided with shadows throwing the light directly below; then windows and doors had to be shut by blankets and similar articles so that not a ray of light would be visible from without. In the streets, as soon as the alarm was sounded all vehicles, cars, ricshas, tramcars, etc, had to stop and extinguish their lights forthwith, remaining on the spot till the raiders were driven off, signalled also by sirens, radio and telephones. The same instructions applied to all steamers barques, boats, launches and so on, in the river.

To preclude any panic during air raids, any rushing about, screaming or laughter were strictly forbidden. The same referred to smoking in the street during the night air raids.

Owing to extensive preparatory work the air defence maneuvers may be said to have passed off on the whole, satisfactorily. Of considerable interest was the provision for the "wounded and gassed." A day before the exercises those who were to play the role of victims of the raids,—more than hundred in number—received letters instructing them to proceed at a specified time to designated places and throw themselves on the ground with a scream as if they were wounded or gassed. They were quickly picked up by ambulances and brought to first aid stations opened at specified places. To make the exercises more realistic, the "wounded" were bandaged on the spot before being taken into ambulances.

Poison and Bacteria from the Air

The possibility of poisoning the Sungari river by the enemy aircraft was not overlooked either. One of them flew on September 18 over the river and threw down bombs "containing bacteria" to contaminate the river. A special detachment of defenders, guarding the river, took care to localize the spread of "bacteria" by blocking the traffic and sprinkling special antiseptic liquid on the banks of the river.

A similar liquid was sprinkled every time when a gas bomb exploded. It was explained that this liquid absorbs the gas, rendering it less deadly. Whether this liquid is efficacious in cases of mustard gas, which burns the victim unless his garments be made of special material, is not known.

After the conclusion of the maneuvers, Lieut.-General Yamaoka, commander of a Japanese division in Harbin, who supervised the exercises, declared that on the whole the maneuvers had proved satisfactory and that Harbin might be considered as prepared to meet any air attack of the enemy. There were, he said, only a few instances of the light glittering out of houses, for instance, from the house of a certain foreign consul and a foreign bank, however he thought in case of actual emergency this defect could be easily righted.

It is significant that similar extensive air defence exercises were held simultaneously in all principal cities of Manchuria, e.g. in Tsitsihar, Changchun, Mukden and in the Chientao region, near the Soviet-Manchurian frontier. In the latter place the maneuvers were centred around Lungchingtsun, a principal town of Chientao "province," near the Korean frontier, the imaginary enemy aircraft bombing such strategic places as Tumen, Wangching, Tahangon, etc. A report stated that a squadron of the enemy bombers, thirty in number, was sighted over the Harpaulin Mountains on the way to Changchun, and after a battle with "our" intercepters beat a hasty retreat towards the Soviet border, losing six bombers in the battle.

Harbin, September 23, 1936.

Thousand Jobless Graduates to Receive Government Training

Culminating the Government's efforts to solve the long-pending "white-collar" unemployment problem, a special class to give pre-employment training to 1,000 jobless college graduates of the 1933, 1934 and 1935 classes will be opened on Oct. 5 at the Central Political Institute in Nanking under the auspices of the Executive Yuan. The 1,000 graduates to undergo the training were selected from among a total of 4,200 applicants by a special committee composed of delegates from five high government organs, namely, the Executive Yuan, the Ministry of Education, the Ministry of Industries, the Central Political Institute, and the National Service Bureau for Intellectual and Technical Employment. The class will be headed by Ting Wei-fen, C.E.C. member and dean of the Central Political Institute.

Taiyuan Student Executed on Robbery Charge

Wang Chen-shan, a student of the local Ho Fen Middle School, was executed at Taiyuan Sept. 24 on charges of repeated robberies.

Overseas School Teachers to Make Tour of China Next Month

In order to standardize the educational system for overseas Chinese, a group of more than 100 teachers from Chinese schools in various overseas communities will make a two-month tour in China beginning from November, (planned jointly by the Ministry of Education and the Overseas Affairs Commission).

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Commissioner of Customs at Tientsin Is Transferred to Nanking

The Ministry of Finance announces the transfer of H. D. Hilliard, Commissioner of the Tientsin Customs, as Commissioner of the Nanking Customs. W. R. Myers, Commissioner of the Hankow Customs, has been transferred as his successor in Tientsin.

The Chief Inspector of the Customs in Tientsin called on General Chang Tse-tsung, Mayor of Tientsin, Sept. 23, and requested his assistance in the anti-smuggling campaign.

Joint Committee to Be Organized to Deal with Smuggling

A joint committee will be organized by the Ministry of Finance, the Customs and the Hopei-Chahar Political Council to deal with the question of disposing of the smuggled goods already landed in Hopei, according to Chinese reports. The decision to organize such a committee was reached as the result of a series of conferences held in Peiping and Tientsin between Li Ching-hsien, of the Ministry of Finance, and representatives of the Hopei-Chahar Political Council. Generals Sung Cheh-yuan and Chin Teh-chun participated in the conferences.

Dire Consequences of Organized Smuggling in China

The *Foreign Affairs Review* says that never in the history of any country has smuggling been organized on such gigantic proportions as that which China suffered from in recent years. In 1935, according to American experts, contraband in North China exceeded $300,000,000. The consensus of competent opinion in Chinese official circles puts it at $250,000,000. The estimate is a conservative one because in 1936 smuggled goods far surpassed that figure. In the first three months alone, the estimated contraband was $100,000,000.

Anti-Smuggling Agreement Concluded

The protection of the legitimate interests of Chinese and foreign merchants and maintenance of the Chinese customs administrative integrity are the chief principles of an agreement which was reported to have been reached between the Hopei and Chahar authorities and the Central Government for the effective execution of the anti-smuggling campaign signed in Peiping, a *Central News* Peiping telegram dated Sept. 25 stated.

Hopei-Chahar Inspection Bureau Commences Operations

More than 50 inspectors of the Hopei-Chahar Inspection Bureau started work Sept. 24. At present the inspectors are searching for arms and other prohibited articles. It is reported that they will not search for smuggled goods for the time being.

Commander of Warship "Yat Sen" Dismissed

In connection with the smuggling of sugar to Formosan merchants in Fukien by members of the vessel's crew, the commander of the warship *Yat Sen* has been dismissed by the Ministry of Navy, according to reports published in the *Central China Daily News*, Sept. 25.

Reply to Lord Beaverbrook on "Anglo-American Military Alliance"

BY C. Y. W. MENG 孟長治

IN his excellent article on "A Military Alliance with England" (see the *American Mercury* of August, 1936), Lord Beaverbrook expressed his belief that "the United States and Great Britain will enter into a military and naval alliance in the course of time. They will make such an alliance because they must do so. There is no alternative for the two nations but to find security for themselves in the companionship of one another."

We agree wholeheartedly with His Lordship that America and Britain "must form" a military alliance. Since the outbreak of the first bombardment on the City of Mukden on the fatal night of September 18, 1931, one of the greatest blunders committed by the Chinese leaders is that they made a mistake in regarding the Mukden Incident as another "Tsinan Incident" of May 3, 1927, when the Japanese troops intervened, occupied Tsinan, blocked the advance of the Chinese "nationalist army" under the command of General Chiang Kai-shek toward Peking, and when Chinese troops did not put up any the "resistance," but simply took a around-about route to reach the North. Believing that inasmuch as the Tsinan Incident was at last settled by negotiations, and the Japanese troops were withdrawn, the Mukden Incident could also be settled by negotiations., Nanking ordered that no resistance be put up. But keen Chinese observers already knew and realized that the Mukden Incident could not be looked upon as another Tsinan Incident. It was a well planned and premeditated invasion; and it was the first of a series of invasions to carry out the Japanese "Continental Policy" in China. In order to cope with such serious situation, we have suggested before many times that China should take the following actions, besides appealing to the League of Nations for action :—

(1) To restore Sino-Russian diplomatic relations, and to reach some "common understanding" with Russia over the situation in Far East,

(2) To cause the American and Russian diplomatic relations to be quickly restored, and to form "Sino-American-Russian cooperation" (see article on "Why Not Form a U.S.-U.S.S.R.-China Triple Entente?" in *The Review* Vol. 61, No. 12, dated August 20, 1932),

(3) To press an appeal to America and other signatories to the Nine-Power Treaty for action, and

(4) To cause the formation of "Anglo-American Co-operation" (see article on "Anglo-American Co-operation in Sino-Japanese Crisis" in *The Review*, Vol. 60, No. 7, dated April 16, 1932).

What we meant by "Anglo-American co-operation" is exactly what Lord Beaverbrook called "A Military Alliance with England." Although there is some difference in name, they are exactly the same in meaning, in purpose, in motive and in result. We are happy that what we suggested four years ago is now being endorsed by a prominent British statesman.

But, unfortunately, none of these steps has been realized. Although Sino-Russian diplomatic relations were restored, nothing of greater significance followed, while the same thing is true of Russo-American resumption of diplomatic relations—nothing of great importance has resulted. As to other directions, the Chinese took not a single step to resort to diplomacy to save themselves. This was another big blunder committed by the Chinese officials and leaders since the loss of Mukden to Japan!

The Effectiveness of Anglo-American Co-Operation

It will not be out of place to cite some instances in the past to show the effectiveness of Anglo-American co-operation. In his book on the "Crisis in the Far East," Col. Stimson will probably tell us concerning the presentation of his "Note" to Tokyo in January, 1932, in which the American Government called the attention of the Japanese Government to the fact that the American Government would not recognize any situation created by the military forces in violation of the Anti-War Pact and the Nine-Power Treaty concerning China. But, according to our memory, before the said Note was presented to Tokyo, Washington did try to seek approval from London It was reported that London was in agreement with the U.S. note to Tokyo. When Tokyo received the said news, full attention was directed, not so much to the attitude and probable actions of the American Government, but rather, to the possibility of Anglo-American co-operation in dealing with the situation. Great pressure was brought by the Island's professional propagandists, diplomats, and officials to bear upon London that the Japanese, in the course of the military actions in China, should not fail to respect British interests in the Far East. London was somewhat moved and convinced. As a result, London did not present an "identic note" to Tokyo. Having made sure that there was no Anglo-American co-operation, Japan become bold enough to carry out her military action in Shanghai.

After weeks of "fighting" in Shanghai, when the American and British merchants suffered heavily, Washington again consulted with London on some "common action" to be taken. Tokyo was again alarmed on receipt of the news. So Mr. Sato, Japanese Ambassador to London, informed London that Japan would "cease the military action in Shanghai." That explains why the hostilities in Shanghai were stopped when Japan succeeded in occupying Chapei and Woosung, and when the Chinese troops began to withdraw to the "second line of defence."

From the above brief analysis of the situation, it is revealed to us (1) how effective it is in improving a situation if Washington and London will co-operate, as evidenced by the fact that one understanding reached between Washington and London was sufficient to cause the Japanese to stop their military operations in Shanghai; (2) how the non-cooperation between Washington and London had helped in extending the Japanese military activities from one place to another, for as soon as the Japanese discovered that there was no co-operation between Washington and London, Japan had a "free hand" in China; (3) how the Japanese before taking any military action in any part of China to further their military "designs," always made sure that there was no Anglo-American co-operation to "block" their way; (4) how Anglo-American co-operation really holds the "key" to the whole situation in the Far East; and lastly (5), how the past British policy of "friendly to all," and the British action of sitting on the fence" to watch both sides, had put Washington in a great predicament, and had caused Washington to abandon easily accessible London, and instead approach distant Moscow for action. So Col. Stimson says :-

"One of the greatest disasters in the history of the League was the failure of Britain to cooperate with the United States in opposing Japan's aggression."

Continuing, he said that he did exert "unsuccessful efforts" to persuade Great Britain to join the United States in an active policy in China in 1932. "I was finally convinced from his attitude that the British Government was reluctant to join in such a demarche. I, therefore, pressed no further."

The Chinese knew all these things before Col. Stimson told us, and remember all these things well, so we could not but "hate" the British for their "non-action" during our crisis, which was really responsible for the aggravation of the Japanese aggression in China and the situation in the Far East. Great Britain must be blamed!

Sine Qua Non for an Anglo-American Alliance

His Lordship has explained the possiblility as well as necessity for forming an Anglo-American military alliance, but failed to discuss *the sine qua non* for such an alliance. To us there are some indispensable conditions which Great Britain must meet before the alliance could be put in shape. They are as follows :—

Great Britain herself must not commit any more "mistaken moves." It is not necessary for us to state that in the past Great Britain has committed many mistaken moves. At one time it was reported that Sino-Russo assumption of diplomatic relations only hastened and solidified the Anglo-Japanese "understanding," leading possibly to the revision of the Anglo-Japanese Alliance of 1902. Such mutual or "secret understandings" consist of the following points :

1. Great Britain would not interfere with Japanese activities in Manchuria.
2. Japan would respect British interests in the Yangtze Valley.
3. Great Britain promises to give Japan some diplomatic help.
4. Japan will do its best to protect British prestige and interests in Far East.
5. Japan promises not to conclude a non-aggression pact with Russia.

Great Britain was one of two European nations which had sent an "industrial mission, to Manchukuo, the other being Germany. The purpose, as openly stated, was not to discuss anything about Anglo-Japanese competition, but the Anglo-Japanese joint efforts and co-operation in the "development of Manchukuo," and the granting of short-term loans to Manchukuo to facilitate the transportation of cargoes to Manchukuo to meet its needs.

Such "understanding," as every one can see, not only constitutes British "non-interference" with Japanese aggression in China, but is actually an "acquiescence." The doctrine of "non-recognition" presupposes no intercourse, no contact, and of course, no-cooperation of any kind. "Non-recognition" and "co-operation for the development" of the state are inconsistent with other. If Great Britain is really anxious to have a "military alliance" with America, Great Britain must not commit any more

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mistaken moves; must not take any inconsistent actions, and lastly, must convince the Americans of their "sincerity" for such an alliance!

Some "Undesirable" British Officials!

Secondly, we hope that the British public will not permit certain British officials, such as Sir John Simon, Sir Samual Hoare, etc., to come into power. As stated above, Sir John's policy of "friendly to both" (China and Japan) had destroyed many of the possibilities of Anglo-American co-operation in the past. Sir Samual Hoare, the First Lord of Admiralty, was recently reported in the Tokyo press to have (1) "drawn up a secret proposal which aims at the promotion of closer Anglo-Japanese co-operation," and (2) to have "suggested that Great Britain might extend diplomatic recognition to Manchukuo." In the absence of any official statement or "denial," we presume that the report is not altogether groundless. That there are powerful interests in England favorable to the Japanese aggression and favorable to the renewal of the old Alliance with Japan goes without saying.

We know and remember Sir Samuel well. This British official was the co-author of the "Hoare-Laval Proposed Agreement" over the Italian-Abyssianian situation, which, if it had been enforced, would have meant the "capitulation" of this little African state to the European aggressor. Again, the same British official is now proposing the recognition of Manchukuo by Great Britain. He is indeed a "favorite" of the aggressor but, to us, he is an "accomplice" of the aggressor as well!

But, as we remember, the publication of the Hoare-Laval Proposed Agreement by one of the papers in Paris brought about the downfall of Sir Samuel's cabinet. We, the Chinese, hope that the publication of Sir John's "Anglo-Japanese secret understanding," like Sir Samuel's "proposal" to accord diplomatic recognition of Manchukuo will not only bring a downfall of the British cabinet, but virtually mark the end of the political career of the proposers once for all! The Chinese look upon these British officials as "undesirables," who should be removed from office!

In addition, Great Britain must cease to have any more discussion with Japan, and Great Britain must turn a "deaf ear" to all Tokyo pleas for "understanding," for the revival of the Anglo-Japanese alliance, etc. Public opinion in Great Britain must be quickly mobilized to destroy and remove all other "obstacles" in the way of an Anglo-American military alliance, and to back up our lofty aspiration for the preservation of world peace and for the suppression of the aggressor in the name of international justice through the joint efforts of the two English-speaking people!

Japan's Destructive Efforts

While His Lordship is proposing "a military alliance with America," and while we are proposing in addition to "Anglo-American co-operation," "Sino-American-Russo co-operation," to cope with the situation in the Far East, the Islanders are taking more vigous steps than we, to destroy all the possibilities.

There is no denying the fact that Tokyo is again pressing hard on London for some "understanding" or "agreement," in the name of "improving Anglo-Japanese friendship"; "conclusion of Anglo-Japanese trade relations" and Japan's participation in the London naval pact. Sir Hughe Knatchbull-Hugessen, the newly appointed British Ambassador to China, departed from the customary diplomatic procedure by conferring and discussing with Tokyo officials, Sino-foreign and Anglo-Japanese affairs, before presenting his credentials to the Chinese Government. His trip to Tokyo has stirred a wide rumor of the possible revival of the Anglo-Japanese Alliance.

As we know, the abolition of the said alliance was largely due to the American "pressure" on the eve of the Washington Conference. Therefore, to demand the revival of the old alliance directly tends to destroy all possibilities of Anglo-American co-operation!

In seeking an "Anglo-Japanese understanding," or an "Anglo-Japanese Agreement," Japan must be more than willing to offer every possible highest "bid" in return. But the question is: Whether the British would be farsighted and cautious enough to commit no further mistaken move and turn a deaf ear to all Tokyo's pleas, or would the British seal up the last ray of hope for Anglo-American co-operation or a Anglo-American "military alliance" by committing further mistaken moves? We hope that the British public will follow His Lordship's line of reasoning; and take more substantial actions in that direction.

Nanking, Sept. 25, 1936.

Chinese Import and Manufacture Many Luxrury Articles

China has gradually become an important consumer of luxuries, according to statistics compiled by Lo Tun-wei, director of the statistical department of the Ministry of Industries. Beginning from January, 1933, to June, 1936, a total of $107,694,024 was spent on imported beverages, tobacco, tobacconists' sundries, jade, lace, trimmings, embroidered goods, jewels, perfume, cosmetics, celluloid, glycerine and other toilet articles. These figures are in addition to a rapidly growing home manufacturing industry.

Feng Jui's Appeal to the King of Hades

BY T. S. YOUNG

FENG Jui was dead. He, however, did not die a natural death, but was shot before a firing squad. What a terrible death it must be! Only a few months ago, he was still the Director of the Bureau of Agriculture and Afforestation, Kwangtung, and one of the satellites of Gen. Chen Chi-tang, the erstwhile "Strong Man" of the Southwest. Could he then imagine that he would meet with such a terrible death? But the change of the political regime in Kwangtung not only deprived him of his political job, but also of his dear life. He had been arrested before he could beat a hasty retreat to some haven, and was found guilty of many charges of corruption and finally condemned to death to serve as an example to other corrupt officials.

This deplorable case would not arouse a bit of our attention but for the fact that the executed man was an American returned student. He hailed from Cornell University, where he specialized in Agriculture and received his doctorate degree. He seemed to possess a profuse knowledge in agriculture, and for some time, he was a teacher of the School of Agriculture of the former Southeastern University, Nanking. Besides, he also devoted some of his time to writing, and published a book under the title of "General Knowledge of Agriculture." Thus equipped with his foreign education and adorned with his high academic degree, he appeared to be an eminent on a science, the knowledge of which an agricultural country such as China has stood in great need.

Mr. Feng must have been more interested in the advance ment of his own career than in the promotion of the welfare of his country. As the Director of the Bureau of Agriculture and Afforestation, he could indeed do much to propagate his expert knowledge among the farming populations for the purpose of improving their crude and primitive methods of cultivation, increasing the production of their crops and, meantime, ameliorating their hard lots. But instead of discharging his bounden duties, he forgot his good conscience, and turned his whole thought to the ways and means of amassing his political fortune. For the ostentatious purpose of increasing the provincial revenue and improving the quality of cane sugar, he inaugurated the provincial sugar monopoly, which he, however, utilized as a camouflage to enrich his private pocket at the expense of private sugar interests and cane-growers. As reported, through this and other corrupt and evil practices, he managed to accumulate a political fortune of over $2,000,000.

Could Easily Have Saved His Life by Flight

He could easily save his life and his ill-gotten wealth by taking to his heels when his prop-Gen. Chen Chi-tang—was gone. With $2,000,000 in his pocket, he could travel in foreign countries with his wife and concubines, and enjoy "the fruit of his labor." Then what detained him in his post for his ultimate ruin? Were his eyes so dazzled by his political fortune and success, that he could no longer sense the danger which he was in? Was he so naive that he could not discern at all the hostile public sentiments towards him? Or was he so ambitious that in spite of his unsavory record, he still entertained the delusion that he could expect a new political appointment from the Central Government? For either one of these reasons, or possibly for all of them, he chose to remain by his post. Hence his arrest and execution.

The news of his execution has left in my mind a very painful impression. Personally I had the pleasure of meeting him last year at a social gathering, while he was here on his way to Nanking on an official mission. At that time, he was looked upon as a big official from the South and lavishly entertained by the local merchants. He himself was in high spirits, and spent prodigiously on singsong girls and dancing partners. But hardly had one year passed, a great change was wrought upon his person. From the luxurious home attended by concubines to the solitary prison guarded by armed soldiers, and from the glorious political stage to the gruesome execution ground, what a great contrast. I can not help wondering what would be his impressions in recollecting these contrasts, while awaiting his death.

Tasted Many Pleasures in Life

Mr. Feng, methinks, should go to his death with no complaints to make. Although his political post was far from being a high one, yet he should be satisfied with the fact that from a poorly-paid teacher to a bureau head is indeed a big jump, which only a very few lucky ones can make. During the term of his office, he must have tasted the real pleasure of human life, he must have enjoyed the glory and power belonging only to the officialdom, and he must also have been tickled at seeing the rapid increase of his wealth. Then what else could he still want? A great majority of us have left this world without either one of these pleasures. Although he met with a supreme penalty, he had at least one consolation that his lot anyhow was much more fortunate than many others'.

The cynics would of course use this case in casting further aspersions upon the returned students. They would assert that a returned student even with a doctorate degree could prove himself as corrupt as an old-type mandarin. That such a deplorable case reflects no credit upon the returned students as a whole can not be gainsaid. But without attempting to put up any defence, I tend to think that Mr. Feng is but a victim of circumstances. Education alone, be it foreign or domestic, will not help to build up a character which will be strong enough to resist all the temptations. The provincial government headed by Gen. Chen Chi-tang was notorious for its corruption. While the big officials were grabbing as much and quickly as they could, why did the small officials not follow their example on a small scale? Mr. Feng, it must be noted, was but one of the many corrupt officials in that rich province. The only difference between him and them is that he was arrested and executed, while a great many others were wise enough to make good their escape when the political wind was not blowing in their favour.

Had Mr. Feng been content with teaching and writing on his favorite subject, he in all probability would have made a good name by this time, though he might not have the same chance of making an easy fortune. By means of his expert knowledge on agriculture, he would have been able to contribute a great service to his country, if he could have confined his activites and works to the carrying out of agricultural experiments and research. China is badly in need of the services of expert agriculturalists. While Mr. Feng himself may not at all be regretted China, however, can not help lamenting the loss of a talent, which if properly utilized, should have turned out to be a great asset to the country. It is pathetic to note that many of our talents, after having been trained at a great expense to the country, should embark upon a wrong career and become a total loss.

It is both fortunate and unfortunate to be an official. It is fortunate, for, as an official, he can live amidst political glory and power, and amass a political fortune. It is unfortunate, for if the rank of an official is not high enough to protect him from being made into a scapegoat, he would not only lose his political fortune but also his dear life. Mr. Feng's tragic example will undoubtedly serve as a warning to those young men, who have lined up at the gate of officialdom and awaited their admission. They should realize that once they are in the confine of officialdom, their success in every turn will be attended by possible danger, and that unless they are the proteges of some higher-ups, they may be selected as a scapegoat at any time.

Killing of Scapegoat Not Sufficient

The Government's endeavor in hunting down the corrupt officials is highly commendible but the mere killing of a scapegoat will not be conducive to cleaning the Augean Stables. As a matter of fact, corruption can not be exercised from our political set-up, should our big officials be permitted to commit the wholesale robbery of the public and get scot free with their trunks of ill-gotten wealth. In view of the fact that many of our much more corrupt officials are still living beyond the pale of law, we must be excused for doubting if the death sentence passed on Mr. Feng is really justified. If there is really the King of Hades, Mr. Feng, we are sure, will certainly ask him to redress his wrong by making the following appeal:

"Your Majesty, you are the King of Kings and the Master of two worlds, by whom no crime will be left unpunished and no grievance will be passed unredressed. As a sufferer of gross injustice, I make this appeal to Your Majesty with the hope of procuring some satisfaction, which had been denied to me before I was dispatched to this better world. I know I was guilty of corruptions, and so I have no complaints to make against the death sentence passed on me. But am I alone guilty of corruptions? Your Majesty must be fully aware that my boss, Gen. Chen Chi-tang, robbed the Kwangtung people of as much as $150,000,000. If I am a robber, he must be a bandit leader. Yet he has been provided with a passport and given all the facilities to enjoy a sight-seeing trip in foreign countries. Besides, his brother, Chen Wei-chou, also made a political fortune of $50,000,000. Even his wife accumulated as much as $50,000,000. The arm of law which dragged me to the grave dare not even touch their skin. Can Your Majesty call it justice? Is it true that in the other world there are two sets of laws—one for the big officials and the other for the small ones? On second thought, I begin to wonder if my execution is justified as I have first believed it. If it is, pray to enlighten me why the more guilty ones are not punished; and if it is not, pray to redress my wrong by any means as Your Majesty thinks fit."

A Tribute to Generalissimo Chiang Kai-shek

BY CHEN FU SHENG (陳福生)

LIKE Cavour of Italy and Pilsudski of Poland, Generalissimo Chiang Kai-shek is the creator of modern China. Rome could not be built in one day. Under the leadership and guidance of Generalissimo Chiang, the building-up of new China seems a question of time. Time was when China might be compared to an apple rotten to the core or rather a seriously ill person on the point of death. At this time China is on her way to recovery, on a rugged path to glory and honor. The time will come when China will have a great place to fill in the family of nations.

Unification of China

In spite of the disruptive forces at work, Generalissmo Chiang has amalgamated various parts of China. With Kwangtung and Kwangsi coming into Nanking's fold, the unification of China is a reality. Generalissimo Chiang has shown greatness in his peaceful solution of internal problems, in his unifying China without recourse to arms. In her conquest of China, Japan resorts to the timeworn tactics of "Divide and Rule." Contrary to the expectations of Japanese jingoists, China is being gradually united. Just as the Babylonian captivity civilized Jews and consolidated them, so it is the Japanese pressure on China that arouses national consciousness and hastens national unity. As long as China presents a united front, she has nothing to fear from her adversary no matter how formidable he may be.

Reconstruction Work

Generalissimo Chiang has devoted most of his time and energy to national recovery, national rehabilitation, and national reconstruction. Verily, the importance of reconstruction work in China cannot be overemphasized. The new China can hardly be built up unless and until the plans of reconstruction are carried out with swiftness and precision. Monetary reforms, development of commercial aviation, completion of the Hankow-Canton Railway, etc. are late accomplishments; much more work is still to be done.

China is an agricultural country. As a consequence of bandit raids, most of the rural districts have gone bankrupt. There can be no political tranquility without economic stability; there can be no urban prosperity without rural recovery. Thanks to the efforts of Generalissimo Chiang in organizing Cooperative Societies in farming districts and in opening the Farmer's Bank of China with its branches in various parts of China, the rural rehabilitation is now within sight.

Chiang's Foreign Policy

Peace is the backbone of China's foreign policy. Perhaps Generalissimo Chiang's attitude toward foreign countries, particularly Japan, may be best indicated by his famous sentence in the declaration during the Fifth Kuomintang Congress: "We shall not forsake peace unless the hope of peace is lost, not shall we talk about sacrifice until we are driven to extremity." Those who misunderstand Chiang's real intentions often denounce his policy as a weak-kneed one. China is too weak a country to adopt a strong policy. Meanwhile, it is inadvisable for her to adopt a Micawber-like policy of waiting for something to turn up. The only thing advisable is to avoid, if possible, an armed clash with her enemy while cultivating her own garden. But it does not necessarily follow that she would barter her sovereignty for mere geographical existence. When there is no alternative, she should fight against great odds.

Further, diplomacy is a highly intricate process. Surface facts are generally the least worthy of belief. Many things must be kept secret before the time is ripe for their disclosure. China announced her rapprochement with Soviet Russia just a few days after Matsuoka, Japan's chief delegate to the League, intimated that he practically had Soviet Russia in his pocket. It is, as yet, too early to judge Generalissimo Chiang's foreign policy. The end may justify the means. Let us wait and see.

Dedication to Unifinished Work

As a savior of China, Generalissimo Chiang deserves our respect and esteem. It is altogether fitting and propet for us to pay him a warm tribute. But in a larger sense, we should go a step farther. We should be dedicated to the great tasks before us,—that we should give wholehearted support to Generalissimo Chiang in coping with the unparallelled crisis,—that from Chiang's inspiration we should take increased devotion to that cause for which he has devoted his might and main,—that we should do the greatest good to the greatest number of people,—and that the nation of four hundred millions and of four thousand years' history shall not perish from the earth.

Foochow, September 20, 1936.

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Japanese Budget Will Exceed Three Billion Yen

The Japanese budget for 1937-38 seems certain to exceed 3,000,000,000 yen even after the Finance Ministry has finished making the usual reductions in the demands of the Ministries, a *Reuter* message from Tokyo Sept. 25 stated. For the coming financial year these total 3,204,491,000 yen, including basic budgets of 1,865,500,000 yen and supplementary estimates totalling 1,338,991,000 yen. New demands of the army and navy total 826,000,000 yen or 62 per cent of all the supplementary estimates. To these figures there remain to be added the Finance Ministry's appropriation for interest on new national bonds and expenses for tax readjustments and miscellaneous improvements, which will bring the total to approximately 3,300,000,000 yen. If it is decided to include in the general accounts the 200,000,000 yen which the Home and Finance Ministers have decided to allot for local financial readjustments, the figure will mount to 3,500,-000,000 yen.

Reduction of the estimates by more than 400,000,000 or 500,000,000 yen is believed impossible.

New Tax Schedule and Shanghai Murder Cause Stock Slump

The heavy slump in stock values caused last week by Finance Minister Eiichi Baba's nex tax schedule gained new momentum with the receipt of news of the murder of a Japanese bluejacket in Shanghai.

Japanese Slashes U.S. Diplomat—Is Promptly Arrested

Forty-one hours after he slashed the arm of Earle Dickover, First Secretary and Charge D'Affaires of the United States Embassy in Tokyo, Eiji Imano, 23 years of age, was captured by the Metropolitan Police on the night of Sept. 24. The youthful burglar was arrested immediately after he had pawned a watch stolen from Mr. Dickover's bedroom early in the morning of Sept. 23.

Tokyo Police Take Measures to Protect Chinese

Instructions to accord full protection to law-abiding Chinese residents in the Tokyo area was issued to all police stations within its jurisdiction by the Metropolitan Police Board Sept. 26. Similar orders were given out by the various prefectural police departments.

Hirota Delays Departure for Maneuvers

In an unprecedented decision, Premier Koki Hirota Sept. 26 announced that he would postpone his departure for Hokkaido to attend the grand military mancuvers pending the clarification of the strained situation in China. He was originally scheduled to leave Sept. 28.

Terasaki Not to Leave Till Late in Autumn

Hidenari Terasaki, Japanese Consul, who had been instructed to return to Japan for duty at the Foreign Office will postpone his departure until late this autumn because of the present tense situation, it was learned at the Japanese Consulate-General in Shanghai Sept. 26.

Shigemitsu Stops Over in Tientsin Enroute to Russia

Mamoru Shigemitsu, newly appointed Japanese Ambassador to Soviet Russia, arrived in Tientsin this week enroute to Russia to assume his post.

New French Ambassador to Tokyo Appointed

Charles Marcenne-Henri, at present Minister to Denmark, was appointed Sept. 19, Ambassador to Tokyo in succession Albert Kammerer who is retiring on account of the age limit.

Tokyo Sugar Market Drops Because of Netherlands Gold Embargo

Sugar prices on the Tokyo market dropped on a wide range Sept. 28 as the result of the Netherlands imposing an embargo on gold.

Head of Bogus Cult Arrested at Osaka

Continuing its drive against "bogus" religious cults, the Osaka police Sept. 28 raided the Head Temple of the Hito-no-Michi, the Road of Mankind, cult and the residences of 37 of its officers, and arrested Tokuichi Miki, the originator and the chief priest of the religion.

Japan-Manchukuo Sheep Association to Formulate Plans for Self-Supply of Wool

Representatives of the Mitsui, Kanematsu, Japan Woollen companies and the Senju Textile Arsenal, etc., prominent woollen importers and woollen textile producers of Japan, who some time ago went to Manchuria to conduct first-hand observations on sheep-raising in Manchuria for the purpose of establishing a woollen supply for Japan, will return to Japan early in October, and upon their return will establish a concrete plan for woollen self-supply with the Japan-Manchukuo Sheep Association as the central body, the *Tokyo Asahi* of Sept. 20 stated.

Formosan Dockyards Scheme Meets Setback

The *Tokyo Hochi* says the Formosan Government-General has approached the Keelung Dockyard Company (capital Yen 350,000) with a view to expanding and strengthening the existing establishment in order to undertake the construction of up-to-date dockyards in Formosa but it has been found that the company is under enormous debts to the Bank of Formosa and other quarters and is also technically incompetent for the heavy task. The Mitsui Co. has declined any participation. Thus the Formosan Government-General has met a check to its southward policy and is now considering means to meet the situation.

Oil Feud in Japan Comes to an End with Compromise Agreement

A compromise agreement, ending a prolonged feud between the foreign petroleum concerns in Japan and the Government, was reported to his Cabinet colleagues Sept. 22 by Dr. Ogawa, Minister of Commerce and Industry. Under the terms of the new agreement, concluded between the Mitsui Bussan Kaisha on the one hand and the Standard Vacuum Oil Company and the Rising Sun Petroleum Company on the other, a new concern will be established specifically for the purpose of storing surplus oil. The capital of the new company, amounting at Yen 25,000,000, will be contributed by the Japanese firm, while the two foreign concerns will contribute land on which the tanks are to be erected.

New British Ambassador Makes Trip to North China

Sir Hughe Montgomery Knatchbull-Hugessen, the new British Ambassador to China, arrived in Peiping from Nanking by train Sept. 26, accompanied by Lieut.-Col. Lovat Fraser, military attache, and A. L. Scott, Embassy secretary. A Company of the 29th Army troops lined the platform to provide a guard of honor when the train slowly pulled into the station. Sir Hughe was the guest at a luncheon reception given by Liu Cheh, member of the Hupei-Chahar Political Council, on behalf of Gen. Sung Cheh-yuan, Council chairman, on Sept. 29. The following day he proceeded to Tientsin and paid an official call on Gen. Sung Cheh-yuan. Sir Hughe is spending a week in the north before returning to Nanking.

Sir Hughe Montgomery Knatchbull-Hugessen, the new British Ambassador to China, visited the Sun Yat-sen Mausoleum near Nanking Sept. 24 where he laid a wreath before the tomb of the Founder of the Chinese Republic.

Canton Officials Pay Return Call on Hongkong Governor

The commissioners of Finance, Education, Reconstruction and Civil Affairs of the Kwangtung provincial government proceeded to Hongkong Sept. 28 to return the recent visit to Canton of Sir Andrew Caldecott, Governor of the Colony, on behalf of Kwangtung authorities.

Japan Incensed By Leakage of Diplomatic Secrets—Denial by British Official in Tokyo

According to the *Tokyo Yomiuri* Sept. 28 the Japanese Gaimusho is much increased at the wide publicity given in leading European, American and Chinese papers to the recent interview in Tokyo between Mr. Arita, the Japanese Foreign Minister, and Sir Robert Clive, the British Ambassador to Tokyo, on Sept. 24. These papers report that during the conversations between the two diplomats, Mr. Arita had assured Sir Robert that Japan wouldnot use force towards China. The publication of the news of the interview, the Japanese Gaimusho holds, is the result of a leakage of diplomatic secrets and constitutes a violation of diplomatic usage on the part of the British diplomatic authorities. Furthermore, the reports are distortions of facts, it was stated.

Calling on Kensuke Horinouchi, Vice-Minister for Foreign Affairs, Charles E. Dodd, councillor of the British Embassy in Tokyo emphatically denied that official circles in London had divulged to the press the nature of the interview held between Mr. Arita, Foreign Minister, and Sir Robert Henry Clive, British Ambassador, on Sept. 24.

Yunnan-Burma Commission to Resume Sitting Dec. 1

The work of the Sino-British joint Commission for the demarcation of the Yunnan-Burma boundary will be resumed in Yunnanfu on Dec. 1. Yin Ming-te, member of the Chinese delegation on the Commission, having tendered his resignation, the Ministry of Foreign Affairs has appointed Chang Tsu-yin as his successor.

Landon Continues to Lead in "Literary Digest" Straw Vote

Alfred Landon, Republican candidate for the Presidency, continued to hold a comfortable lead over President Roosevelt in the *Literary Digest* poll Sept. 25.

Landon received of 293,972 votes; Roosevelt, 185,495. Landon in his speeches is attacking Roosevelt's reciprocity policies, giving details of how large quantities of foreign foodstuffs are being imported in competition with American farm products.

Harry H. Woodring, formerly Assistant Secretary, Sept. 25 was appointed temporarily to fill the vacancy caused by the death of George H. Dern, Secretary of War.

Dr. H. H. Kung Says Income Tax Is Fair and Equitable

The belief that foreign nationals residing in China will, in pursuance of the traditional spirit of equality and reciprocity, pay the new direct levy, the income tax, was expressed by Dr. H. H. Kung, Minister of Finance, in a report made at the Central Party Headquarters Sept. 28.

Declaring that one of the features of the Chinese tax regulations is its iniversality and equality, Dr. Kung saw no reason why foreigners in their guest country should not pay the levy since it has been the practice in fifty or more countries where the income tax is adopted. According to the Finance Minister, detailed regulations governing the enforcement of the income tax are based on those already enforced in England, France, and the United States. For foreigners whose term of domicile in China is less than one year and whose income does not come from this country, they are exempted from the tax. Dr. Kung added that this is only applicable to foreign nationals whose governments accord the same treatment to Chinese residing within their boundaries.

As to overseas Chinese, Dr. Kung stated that they are not required to pay the income tax to the Chinese government since they are paying income levy to foreign governments under which they received protection.

Appealing to all Chinese tax-payers to pledge their support to the new tax, the Finance Minister brought out the significance of introducing the direct levy in China from the standpoint of national salvation. At the present juncture when the world is getting more unsettled than ever, he said, the Chinese Government would be at a loss to raise necessary revenue, should she find herself in emergency. It is imperative therefore that China should adopt the flexible taxation system in order to nurture the economic strength of her people and to readjust her financial resources.

In addition to the United States, diplomatic representatives of five other foreign lowers, namely, Great Britain, Franco, the Netherlands, Czechoslovakia, and Cuba, have replied to the Chinese notes delivered a few weeks ago concerning the application of the Income Tax Regulations to foreign nationals in China.

While the American reply asserted that the Laws would not be regarded as applicable to American citizens in China, the replies of the five other Powers' representatives merely acknowledged the receipt of China's notes which they have forwarded to their respective Governments for decision.

Peiping Chamber of Commerce Urges Postponement of Income Tax

The General Chamber of Commerce in Peiping Sept. 21 under the chairmanship of Chow Chuan-shen passed a resolution urging the National Government to postpone the enforcement of the income tax law pending the complete abolition of all miscellaneous taxes in the country.

Kuo Min states that Liang Ching-chun, Vice-Chairman of the Central Preparatory Office for Direct Taxation, and other representatives of the Ministry of Finance will proceed to various parts of the country shortly to assist the local authorities in enforcement of the Income Tax.

Collection of Income Tax on the salaries of public functionaies and on interest derived from bank deposits and bonds was scheduled to begin Oct. 1. Announcement to this effect was made by the Ministry of Finance in a circular communication to the various Yuans, Ministries, and Commissions of the Central Government, the various Provincial and Municipal Governments, and the various Bankers' Associations throughout the country.

Sian Commander-in-Chief Takes Steps to Protect Foreign Residents

In order to ensure the adequate protection of foreign residents in Sian, provincial capital of Shensi, the Commander-in-Chief's Headquarters of the North-western Bandit-suppression Forces, of which General Chang Hsueh-liang is acting Commander-in-Chief, has designated the Hsiking (Sian) Hostel, North-western Hotel, and the Park Hotel, as residences for the foreign nationals in Sian. This step has been taken in compliance with the request of the Superintendent's Bureau of the military and police units.

Construction Work on New Consular Building Still Held Up

A telegram from Washington Sept. 27 stated that the indications were that construction contract for the new United States Consulate at Shanghai will not be awarded before the spring of 1937. The new building, for which Congress has provided $750,000, is still in the hands of architectural draftsmen at the Office of the Supervising Architect of the Treasury Department. These plans are subject to approval by the Foreign Service Buildings Commission, before specifications for contractors are prepared and tenders invited, formalities which usually require at least several months in Washington.

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Seven Districts in Kirin Reserved for Japanese Settlement

A Changchun message dtated Sept. 23 in the *China Evening News* stated that seven districts in the province of Kirin have been set aside by the Manchukuo Government for exclusive settlement by Japanese subiects. The districts are: Kirin, Pan-Shih, Hwa-Tien, Ton-Hwa, Su-Lan, Swan-Yan and I-Tung.

Mukden Arsenal to "Make Advance on North China"

Recent telegrams from Japan stated that the arsenal at Mukden will change its field of manufacture, with a view to "making an advance on North China." Mr. Yamada, of the Osaka Machinery Works, who is also a director of the arsenal, is making a trip to Manchuria, with a view to developing the idea.

Japanese Industry Official Tours Manchuria

Hiroshi Nishikawa, chief of the Industry Section of the Industrial Affairs Bureau of the Ministry of Commerce and Industry, departed from Tokyo Sept. 17 on a one-month inspection tour of Manchukuo.

Manchukuo Group on Visit to Shanghai

A group of 20 apprentices of the Manchuria Telephone and Telegraph Company arrived in Shanghai Sept. 22 on the s.s. *Hoten Maru* on a four-day tour of inspection, in the course of which they visited Soochow and Hangchow.

Iron Vein Found Near Fushun to Be Investigated by S.M.R. Expert

Makoto Kubo, director of the mining division of the South Manchuria Railway Co., has been ordered to investigate reports of the discovery of rich iron ore deposits near Fushun.

Yokohama Specie Bank Notes Withdrawn

Yokohama Specie Bank notes issued in the Kwantung Leased Territory were withdrawn from circulation by Imperial decree on Sept. 21. The notes are being redeemed at par in Dairen by the Yokohama Specie Bank.

S.M.R. Plans to Builds Dockyard Near Dairen

The *Shun Pao* says that the South Manchuria Railway Company is planning to build a big dockyard in Manchuria, near Dairen at a cost of Yen 5,000,000. According to present plans, the dockyard will be completed in three years.

Chinese Patriotic Group Continues Active in Manchukuo

Japanese messages report that a terrorist group has been secretly sent by the Chinese National Government to Manchukuo for the purpose of assasinating high officials.

Manchukuo Cabinet Watches Air Maneuvers at Harbin

All the members of the Manchukuo Cabinet except the Ministers for Mongolian Affairs, Justice and Foreign Affairs arrived in Harbin Sept. 17 from Changchun to witness the air maneuvers which began that day. The principal feature of the program was an air raid on Harbin by the Taheiho "B" fleet.

Private Arms in Manchukuo to Be Confiscated

In view of the growing activity of the anti-Japanese volunteers, the Japano-Manchukuo authorities have decided to prohibit private citizens from possessing arms.

Minami to Seek Industrialization of North Korea

Gen. Jiro Minami, the newly appointed Governor-General of Korea, Sept. 27 revealed his determination to continue the work of his predecessor, Gen. Kazushige Ugaki, in industrializing northern Korea.

Uyeda Marks Anniversary With Statement on Concordia

Principles underlying the activities of the Concordia Society, "the spiritual arm of the Manchukuo Government," were explained in a lengthy statement issued to the Kwantung Army Sept. 18 by its Commander-in-Chief, Gen. Kenkichi Uyeda, on the fifth anniversary of the Mukden Incident. The Society, Gen. Uyeda explained, together with the Kwantung Army and the Manchukuo Government, forms "a trinity, whose aim is to strengthen Manchukuo's national spirit and to carry out the 'Wang Tao', or the 'Kingly Way', which is equally opposed to democratic parliamentary politics and to despotism".

Manchukuo-Mongolian Conference Opens at Manchuli

A conference for settling outstanding questions between Outer Mongolia and Manchukuo was opened at Manchuli, Oct. 1. The negotiations deal with the redemarcation of the Manchukuo-outer Mongolian border and the settlement of disputes.

Soviet Guards Seize Manchukuo Boat

The seizure of the motor-boat *Koan Maru*, owned by the North Manchuria Gold Mining Company, a Japanese-Manchukuo joint concern, by the Soviet authorities in the upper reaches of the Amur River on Sept. 25 was revealed by the officials of the concern in Harbin Sept. 29.

Fishery Agreement Reached in Moscow

After months of negotiations, punctuated by frequent charges and counter-charges, the Soviet and Japanese negotiations in Moscow on Sept. 21 came to an agreement on the revision of the Fisheries Convention. Gaimusho officials stated Sept. 23 that the new Convention, which would be effective for 12 years, will be signed sometime in November, when Mamoru Shigemitsu, the new Ambassador to Moscow, assumes his duties.

Soviets Close Tsitsihar Consulate

Alleging that "regrettable activities" of the Manchukuo and Japanese authorities in Tsitsihar, prevented the smooth operation of his office, B. B. Kuznetsov, Soviet Consul in said city Sept. 28 announced the closing of the consulate. In a formal note, dated Sept. 26, the consul notified the Manchukuo and the Japanese officials that the consulate had ceased operating under instructions from Moscow.

Moscow Gives Japan Important Petrol Concession in Sakhalin

The U.S.S.R. has granted Japan important advantages lately in respect of an oil concession in the Soviet part of the Sakhalin Island, a message from Moscow Sept. 30 stated.

Sino-Soviet Parcel Exchange Agreement Draft Signed

The draft of the Sino-Soviet Parcel Exchange Agreement was signed at Nanking Sept. 27. The draft has been submitted to the Legislative Yuan for examination.

Soviet Ambassador Calls on Dr. H. H. Kung

D. Bogomolov, Soviet Ambassador to China, called on Dr. H. H. Kung, at the Central Bank of China in Shanghai Sept. 26. The same evening, Dr. H. H. Kung and other Chinese officials were invited to the Soviet Consulate to see the new Soviet picture, "Circus."

Japanese Hold Annual Military Maneuvers

Japanese annual military maneuvers will be held in Hokkaido starting Oct. 2, and continuing for five days. Emperor Hirohito is supervising the maneuvers in person, he having made the trip to Muroran in the battleship *Hiei*.

Gambling and Opium-Smoking Suppression in Full Swing in Kwangtung

The campaign against gambling and opium-smoking is in full swing in Kwangtung. T. L. Soong, Finance Commissioner for Kwangtung, Sept. 18 telegraphically ordered the various regional authorities in the province to investigate whether gambling has been completely suppressed in their respective districts and submit a detailed report to the provincial administration.

Canton Branch of N.E.R.C. Inaugurated Sept. 16

The Canton branch of the National Economic Reconstruction Council was inaugurated in Canton Sept. 16. The ceremony was attended by General Chiang Kai-shek, General Huang Mo-sung, Governor of Kwangtung, T. L. Soong, Finance Commissioner of Kwangtung, and other prominent officials.

Kwangtung Balances Budget

The Budget of Kwangtung province is now balanced, T. L. Soong, Finance Commissioner, told the *United Press* Sept. 17. "Tax payments are coming in well," he said, "and we expect that the provincial income for the year will be $34,000,000."

Hongkong Authorities Refuse to Give Relief to Chinese Merchants in the Colony

A request of Chinese commercial and industrial leaders, asking the Hongkong authorities to afford them a relief loan of $30,000,000 because of the serious financial depression, has been refused by the Hongkong authorities.

Northeastern University to Be Moved to Sian

A *Central News* message from Hankow Sept. 23 stated that Northeastern University will be removed from Chikungshan to Sian, capital city of Shensi, according to a decision reached by the authorities of the institution. Dr. Wang Hua-yi, president of the University, has been granted leave to take up advanced studies abroad, and Gen. Chang Hsueh-liang, popularly known as the "Young Marshal" and founder of the University, has been appointed President.

The Northeastern University was first established in Mukden, but after the Manchurian Incident of Sept. 18, 1931, it was moved to Peiping. Two years ago it was moved from Peiping to Chikungshan near Hankow. This move on the part of Northeastern University is in line with the general exodus of independent Chinese institutions of learning from the Japanese "cultural" pressure. It will be remembered that Tsinghua University, which was originally started with funds from the American Boxer Indemnity, has opened a branch at Changsha, in preparation for a possible transfer of the whole University, in case Japanese pressure becomes too great.

$4,000,000 Appropriated for Whampoa Harbor Project

The project to turn Whampao, now an humble and undeveloped harbor some 10 kilometers from Canton, into the most important seaport in South China, will soon be executed at a cost of $4,000,000. The project calls for the construction of a deep water harbor at Whampao on the north bank of the Pearl River and the extension of the Canton-Hankow Railway to the new post so as to provide an outlet for native products in Central China. Tseng Yang-fu, the new Mayor of Canton, who has had profound experience in directing railway building and harbor construction during the last few years as Reconstruction Commissioner of Chekiang and later Vice-Minister of Railways, is in charge of the project. Construction work will be carried out in three periods. An initial fund of $4,000,000 has already been appropriated for the work.

Direct Nanking-Hankow Steamship Service Planned by Communications Ministry

Plans for the inauguration of a direct "express" steamship service between Nanking and Hankow, in order to facilitate river communication in the middle reaches of the Yangtse River, are being worked out by the Ministry of Communications. Steamers plying the route, according to the plans, will be of 3,000 tons, 300 feet long and capable of accomodating 800 cabin passengers. It is estimated that each vessel of this type will cost $1,000,000.

Hunan Paper Mill to Become Government Enterprise

The Changsha Paper Mill will be taken over by the Hunan provincial government and be renamed the Hunan Paper Mill, according to a decision reached by the provincial government last week. Mao Teh-po has been appointed director and engineer-in-chief of the mill.

Chengchow-Sian Long-Distance Phone Service Opened Oct. 1

Long-distance telephone service between Sian and Chengchow was inaugurated Oct. 1.

Installation of the machinery for the Canton-Shanghai wireless telephone service has been almost completed. The main exchange station at Canton has been built at Shekpai, where incoming and outgoing messages will be relayed by four lines linking up with the main exchange in Canton.

C.M.S.N.C. To Build 26 Ships—Line to South Seas Planned

The China Merchants' Steam Navigation Company is planning to open shipping lines between China and the South Sea Islands. According to the present plan, the company will build 26 ships in the coming six years, and it is proposed to borrow $30,000,000 from the British Boxer Indemnity Refund for the purpose.

Eight Provinces Join Foodstuffs Sales and Transportation Agency

With the cooperation of the Ministries of Finance and Industry the Hunan, Hupeh, Anhwei, Kiangsi, Chekiang, Fukien, Kiangsu and Hopei authorities are preparing for the organization of a joint foodstuffs sales and transportation office.

Shanghai Chamber Holds Native Goods Exhibition

The Shanghai General Chamber of Commerce is holding a three-week native products exhibition at 126 Bubbling Well Road to commemorate the 15th anniversary of the completion of its commercial goods display building. More than 200 dealers in native products are taking part in the exhibition while about 70 will contribute exhibits to the display. The opening ceremony took place Oct. 1, Wang Shao-lai, chairman of the Shanghai Chamber of Commerce, presiding.

Hanoi-Saigon Railway in French Indo-China Opened to Traffic

The Hanoi-Saigon railway in French Indo-China, work on which was started forty years ago but later laid aside, was completed last week. The line was formally inaugurated on Oct. 1. On the invitation of the Governor of French Indo-China, the Yunnan provincial government sent Messrs. Huang Hih-kwang and Li Hsi-yao from Kunming to Hanoi to attend the inauguration ceremony on behalf of Governor Yun Lung.

U. S. Commercial Attache Julean Arnold Addresses Nanking Rotarians

"One of the very essential requirements for the promotion of China's trade and industry so that her economic level could be raised is the cultivation of civic spirit by her leading citizens and friends of China," declared Julean Arnold, Commercial Attache of the United States, addressing the Nanking Rotary Club at its weekly luncheon meeting in Nanking Sept. 14. Calling on all public spirited Chinese to boost domestic goods at home, Mr. Arnold stressed the importance of developing native trade along standardized and uniformed lines. Not only should the quality of the goods be standardized, he explained, but parcels as well as labels should be attractively made up.

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The Background of the Pakhoi Incident

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

THAT the Pakhoi case should occur so shortly after the Chengtu incident and just preceeding the more serious incidents of Hankow and Shanghai last week was a most startling event not only to the residents of Pakhoi, thousands of whom had to evacuate the city fearing attacks by Japanese warships, but to all Chinese in South China.

As in the case of all previous so-called "incidents" the first action of the Imperial Japanese Government in connection with the death of the drug-shop proprietor Jyunzo Nakano on September 3 was to despatch warships to Pakhoi. The first to be sent to Pakhoi was the warship *Saga*, which had been stationed in Canton for some months. Reinforcing the *Saga* six other Japanese warships were subsequently despatched. So, when the *Saga* with two Japanese consular investigators on board steamed into Pakhoi two days ago, the *Saga* was accompanied by six other Japanese warships, a spectacle which should have greatly impressed the Chinese peasants of Pakhoi of the power of the Japanese navy.

By sending these large number of warships to Pakhoi the Japanese authorities explained to the Chinese Government that the action was taken because of a desire to protect Japanese nationals and property in Pakhoi. But is'nt Jyunzo Nakano the only Japanese subject resident in Pakhoi for the past year or so? as it was explained by a Japanese consular official. Immediately after the murder members of Nakano's family resided on board the Japanese warship, so it is most obvious that today there is not a single Japanese resident in this southern Kwangtung sea port. As regards property it is known that the Maruichi Drug Store in Pakhoi which was owned by Nakano was the only Japanese property in Pakhoi. The Maruichi Drug Store has its headoffice in Hongkong and Nakano was the Pakhoi manager of its branch.

Chinese Government's Responsibility

Shortly after the murder of Nakano it is known that the Chinese authorities have taken precaution to safeguard the drug-store and despite the absence of its owners nothing has been removed from this Japanese owned store. Yesterday morning the Chinese Government investigator, Dr. Ling Shih-fen landed at Pakhoi from the Chinese gunboat *Foo On* and for two hours he secured first hand evidences from the members of the Nakano family. The wife of Nakano is a Chinese woman and she is still remaining in Pakhoi despite rumors of her earlier departure for Shanghai.

All well-wishers of the Chinese and Japanese in the South hope that this small incident will be made a local case and settled between the Chinese and Japanese investigators on the spot, because in any event the Nanking Government cannot be held responsible for the action of its citizens in Pakhoi, for the pure reason that Pakhoi at the time of the murder was not under the direct control of the Nanking Government. On September 3, the day of the murder, Pakhoi was under the military control of the Nineteenth Route Army, which before the subsequent Nanking-Kwangsi settlement, was an opponent of the Nanking Government. In other words the murder was committed at a time when there was a rebellion in southern Kwangtung.

The facts are most plain that from the very beginning the Nanking authorities and General Chiang Kai-shek in Canton are most anxious to settle the case as speedily as possible. Fearing complications the Nanking authorities advised the Canton Japanese Consular Officials not to send gunboats and the Japanese investigators to Pakhoi at a time about ten days ago, when there existed in that port a strong sentiment against the Japanese. For many days thousands of Pakhoi residents withdrew to near-by places in the interior, as the Nineteenth Route Army erected barracades along the foreshore of Pakhoi and made extensive preparations for the defence of Pakhoi.

A challenge against the landing of Japanese marines was narrowly avoided by the timely settlement of the Nanking-Kwangsi imbroglio. Today Japanese investigators are able to continue their inquiry of the murder in Pakhoi with full protection from the Cantonese troops after the evacuation of the Nineteenth Army.

Pakhoi May Escape Japanese Ambitions, Because of Close Proximity to Hongkong

Observers believe that the Japanese will not extend their territorial ambition to Pakhoi despite the good excuse provided by the murder of one of her nationals, because Pakhoi is in close proximity to Hongkong (British administered) and the French controlled Kwangchowwan. Any military action taken at Pakhoi by the Japanese may incur the displeasure and strong suspicion of two friendly powers of the Island Empire of Japan.

Another indication pointing to a settlement is the fact that the Pakhoi incident is inter-connected with the military crisis in Kwangsi. But for the occupation of Pakhoi by the

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(Translated from Chinese Periodicals)

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anti-Japanese army there would have been no murder and there would have been no anti-Japanese movement. Now that the Nanking-Kwangsi quarrel is settled the Nineteenth Army will be organised into an army under the sixth Route Army of Kwangsi. Certain districts on the Kwangsi-Kwangtung border will be given as garrison territory of the Nineteenth Route Army and as there are no Japanese residents in these interior towns the chances of another socalled "incident" are extremely remote.

Canton, September 25, 1936.

Japanese Plan Monopoly of Cigarette Market in North China

Utilizing the special privileges accorded them by the bogus East Hopei regime, the Japanese Oriental Tobacco Company is planning to build a cigarette manufacturing plant in Tungchow. It is reported that the factory will Lave a capital of Yen 2,000,000. Experts believe that the completion of the factory will mean a monopoly of the cigarette business in North China by the Japanese, a *Hwalien* message from Tientsin Sept. 29 stated.

Japanese to Build $10,000,000 Paper Mill in Tientsin—To Occupy Three Mow of Land

The Japanese Paper Manufacturing Company has decided to establish a paper mill in Tientsin with a capital of $5,000,000.

Japanese paper interests in Osaka have purchased a large tract of land measuring about than three mow for the building of Japanese paper mill in Tientsin.

Under the auspicies of the Hing Tsun Company and the Manchurian Electric Company, power stations with a capacity totalling 350,000 kilowatts will be established in various points in North China, including Tientsin, Peiping, Tangshan, Chingwangtao, Luanho, Kalgan. At the same time, the Japanese are contemplating the purchase of the two power companies in the British and French Concessions in Tientsin, the *Sin Wen Pao*, of Sept. 24 stated.

Japanese Build Flour Mills in North China

Japanese interests are planning to build two flour mills in North China, one in Tsinan and one in Tientsin, each with a capital of $3,000,000. These mills will also control the export of wheat to Japan.

Paoshan Light Railway Sold to Kiaochow-Tsinan Railway

The Paoshan light railway has been sold to the Kiaochow-Tsinan Railway Administration (which is under Japanese control) at a price of $680,000.

Huge Imports of Smuggled Japanese Oil to North China

Japanese oil interests have sent to North China a monthly average of 2,000,000 gallons of oil in the past three months. Over 90 per cent of this quantity was smuggled into North China, and has resulted in a heavy blow to the American and British oil interests, the *Sin Wen Pao* of Sept. 28 stated.

Japan Agricultural Expert Tours North China

Dr. Hiroshi Terao, of the Agricultural Experimental Station of the Agriculture and Forestry Ministry, is at present making an economic inspection tour of North China.

Nanking Accepts Japanese Proposals for Economic Co-operation

A responsible official of the Ministry of Finance announced in Nanking Sept. 27 that the Chinese Government is ready to accept the proposals submitted by the Japanese for economic co-operation in North China, the *Changsha Ta Kung Pao*, of Sept. 28 stated.

Principles of Economic Development Laid Down by Japanese Military

According to the Japanese military authorities, Sino-Japanese economic cooperation in North China will consist of (1) building of railways, (2) opening of mines, (3) development of harbors, (4) cultivation of cotton, (5) export of Changlu salt, and (6) building of electric works.

An important conference for the discussion of measures to cope with the political situation and to promote Sino-Japanese economic cooperation in North China was convened by General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Affairs Committee, in Tientsin Sept. 27.

More British Troops for North China

In view of the serious situation now prevailing in that part of the country, the British authorities are reported to have decided to increase the number of their troops in North China by 500 in the coming spring, the *Sin Wen Pao* stated Sept. 29.

"Lu" Salt Agreement Approved

The revised "Lu" Salt agreement has been approved by the Ministry of Finance, and large quantities of salt will be shipped to Japan this month. The revised agreement consists of the following points: The agreement will be effective for one year; for every 100 tons of salt delivered, payment will be made for 96 tons.

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LAST WILL and TESTAMENT of NORMAN THORPE SAUNDERS, Deceased

Cause No. 4113
Special Proceedings No. 1992
NOTICE
Filed at Shanghai, China, September 11, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Norman Thorpe Saunders, deceased, to present the same with vouchers to the undersigned on or before March 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Mrs. Vesta Baldwin Saunders,
319 Route Ghisi,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
the MATTER OF THE ESTATE of WILLIAM PENN HUGHES, Deceased

Cause No. 4114
Special Proceedings No. 1993
NOTICE
Filed at Shanghai, China, September 11, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of William Penn Hughes, deceased, to present the same with vouchers to the undersigned on or before March 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Cornell S. Franklin, Admr.,
149 Yuen Ming Yuen Road,
Shanghai, China.

Shanghai, China.

France Devaluates Franc, Following International Agreement

Following the announcement that a monetary agreement had been reached between Great Britain, the United States and France, the French Government late on the night of Sept. 25 decided to devaluate the franc and requisition all gold in the country. The new value of the franc will be at a point between 49 and 43 milligrammes of gold of 900-1000 fineness. The pound sterling will now be worth between 96 and 103 francs. A stabilization fund of ten milliard francs assure the new parity which has been established. An official decree was issued closing the French stock exchange until further notice. Another provided a moratorium, at the request of the debtor, on all commercial payments in gold or foreign currencies falling due after Sept. 26. Switzerland decided to follow the French example at noon on the following day. Holland has placed an embargo on gold export.

All foreign exchange dealings were suspended in London Sept. 26, while no transactions took place in gold and no price was fixed. Devaluation of the franc surprised London and caused all markets to be dislocated.

A *Havas* telegram from Paris Sept. 27 stated that definite expression of the value of the French, British, and American national monetary units in terms of gold would be, it was believed in the French capital, simultaneously decided upon after a *de facto* stabilization of the principal currencies has been brought about on the world markets.

U.S. May Revise Restrictions on Gold Exports

The possibility of the United States revising the present stringent restrictions on the export of gold, in order to permit the metal to flow more freely among the nations participating in the International Monetary Agreement, was discussed in Government and financial quarters in Wahsington this week. It is felt that some outflow of America's huge gold holdings might be expected to result from such an agreement.

An interesting sidelight on the new International Monetary Agreement—reached between Great Britain, France and the United States and to which Belgium and Switzerland subsequently adhered —was revealed by Mr. Morgenthau, U.S. Secretary of the Treasury, who announced Sept. 26 that the United States had purchased about £1,000,000 offered on the exchange markets by the Soviet Government. Mr. Morgenthau said that the new agreement, in seeking stabilization, invited the co-operation of other nations. The Secretary of the Treasury stated that he would "go the limit" in order to maintain stability between the American, French and British currencies. Asked what he meant by "the limit," he replied: "$2,000,000,000" (the amount of the Stabilization Fund).

Secretary Morgenthau, Sept. 29 issued an open invitation to all nations to join the currency stabilization agreement recently reached by Greal Britain, France and the United States. "It would be most helpfut to have the other nations of the world join the accord," Mr. Morgenthau asserted. "The mere fact that they may not possess stabilization funds would not exclude them. Mr. Morgenthau emphasized that there were no "secret" or "hidden" agreements behind the Anglo-Franco-American pact, and also declared that no ratio for the dollar and sterling had been fixed, on the theory that the agreement should be flexible and that the stabilization funds should be used only to prevent violent fluctuations. American observers in the do not expect the Soviet Union, Italy and Germany to enter the agreement immediately, because of restrictions which prevent free trading in their currencies.

Exports of gold from the Netherlands East Indies were banned on Sept. 27, as soon as the mother country had taken the action, Yutaka Ishizawa, Consul in Batavia, reported to the Gaimusho Sept. 23.

Tokyo Treasury to Maintain Former Currency Policy

Holding that the collapse of the gold bloc in Europe would not vitally affect Japan's trade and finances, the Tokyo Treasury Sept. 27 decided to leave its foreign exchange policy without changes.

Devaluation of Franc Will Have No Effect on China

The devaluation of the French franc will have little, if any adverse effect on China, declared the official *Central Daily News* in an editorial commenting on the French move Sept. 29, the reasons being that China will be able to maintain her exchange status with other countries despite the depreciated exchange value of the French franc as the foreign exchange in this country is not attached to any foreign currency, and besides, the volume of trade between France and China is comparatively negligent.

The research departments of the Central Bank of China and the Bank of China are paying special attention to the devaluation of the franc by the French Government and its effect on China. According to experts, there will be little effect on China, beyond the increase in the price of gold.

Devaluaton in China Denied

Reports regarding a possible devaluation of the currency in China were flatly denied by responsible officials in Nanking Sept. 28.

The previous morning the *Shanghai Nippo* had stated that Chinese governmental silver reserves in Shanghai had been "virtually depleted" as a result of heavy white metal shipments abroad during the last four days. With $30,000,000 shipped Sept. 29, the total outflow of silver during the period of Sept. 26-30 was estimated by the Japanese daily at $110,000,000.

Local Banks Ship Huge Quantity of Silver to America

Silver bullion valued at $12,500,000 was shipped out of Shanghai for New York Sept. 26 by the Central Bank of China and the Bank of China. Other large shipments followed.

Hongkong to Issue $11,000,000 Public Works Loan Early Next Year

Hongkong will issue a $11,000,000 Public Works Loan early next year, according to information from local financial circles during the week. Authority for the issue of this amount is already vested in the Government under the Hongkong Dollar Loan Ordinance of 1934. The Loan will bear interest at the rate of 30 per cent. The price of issue will probably be fixed at 99 per cent, the bonds giving a flat yield of 3.535 per cent. or, allowing for redemption over a full period of years, of 3.565 per cent.

Huge Shipments of Silver Made to U.S. to Buy Foreign Exchange

A report circulated Sept. 30 that the Chinese currency system would be weakened by the shipments of silver which were being made by the Central Bank of China was entirely without foundation, declared a spokesman of the Bank in an interview. "Since our currency has been placed on a managed basis," he said, "the more silver than can be converted into foreign exchange the greater becomes the stability of the currency." The spokesman stated that all recent shipments to the United States were for the sale account under the agreement made with the American Treasury. Some shipments, he added, had been made to Canton via Hongkong to make up the deficiency of 17 per cent in the 60 per cent cash reserve of the Kwangtung Provincial Bank issue as a part of the reorganisation scheme for the Canton currency.

New Kansu Finance Head Will Try to Cover $2,000,000 Provincial Deficit

The opening up of financial resources to balance an annual deficit of $2,000,000 in Kansu will be the main task of Chen Sai, the newly appointed Finance Commissioner for the province, who proceeded to the northwest by plane Sept. 25 to assume his post. Measures to balance the budget, according to Mr. Chen, had been devised by the former commissioner, but extra expenses were incurred in a campaign against Communists who invaded the province. Before his departure, Mr. Chen made arrangements with local bankers for an inspection of the province to ascertain possibilities of investment. Chinese bankers have agreed to organize an inspection party to visit Kansu in the near future. The annual income in Kansu amounts to over $9,000,000, while the expenses total over $11,000,000, according to the provincial budget for this year.

Floating of Peiping Municipal Loan Postponed

According to Lin Shih-cheh, Director of the Bureau of Finance of the Peiping Municipality, the issue of the municipal loan of $3,000,000 has been postponed from Oct. 1 to Nov. 1.

Chekiang Given Permission to Issue $3,000,000 Subsidiary Notes

The Chekiang Provincial Government has been given permission to issue $3,000,000 worth of subsidiary banknotes.

Central Bank to Have Swatow Branch

Plans are being made by the Canton Branch of the Central Bank of China to establish a sub-branch at Swatow. Liu Wang-shu is making the necessary preparations.

Central Bank to Open Branch in Kwangsi Province

The Central Bank of China has decided to establish a branch in Kwangsi Province. Chiang Ao, manager of the Canton branch of the Bank, has been entrusted with the preparations for its establishment.

Hunan Wishes to Raise a $20,000,000 Loan

Yu Chi-chuan, Provincial Commissioner of Reconstruction for Hunan, called on General Chiang Kai-shek, at Canton this week with a view to securing permission for the issue of a Hunan Provincial Reconstruction Loan for $20,000,000.

Alcohol Tax Regulations Approved

A set of regulations governing the collection of the alcohol tax was approved at the weekly meeting of the Legislative Yuan Sept. 25. All alcohol manufactured in China by foreign and or by Chinese as well as those imported from abroad, according to the new ruling, should pay tax in accordance with the rates stipulated. The rate for ordinary alcohol is fixed at 13 cents per liter, while those of de-natured alcohol and wood alcohol 6.5 cents per liter. In the case of imported alcohol, customs duty will also be collected in addition to the ordinary alcohol tax. Certificates will be issued by the collecting office to merchants for alcohol which has been taxed, according to the regulations. Alcohol bearing these tax certificates will be exempted from further taxation when sold in the interior.

Who's Who in China

Wang Kuo-hua, Government official; born at Yulin, Shensi in 1900; graduate of Tsing-Hua College in 1923; received the degree of B.A. in economics from Colorado College, U.S.A. in 1924 and M.A. from the Business School of the University of Chicago in 1926; has served successively as accountant and chief auditor of the National Economic Commission from 1928-30; secretary, and chairman of the Purchasing Committee, of the Department of Construction of Chekiang Provincial Government, and concurrently chief-secretary of the Commission for the Control of Silk Industry of the same Province from 1931-1934; now a member and chief-secretary of the New Road Construction Commission and concurrently assistant director of the General Affairs Department of the Ministry of Railways; address: Ministry of Railways, Nanking.

王國華
Wang Kuo-hua

王國華字亞農，陝西省榆林縣人，現年三十七歲，民國十二年畢業北平清華學校官費派送留美，十三年畢業美國珂羅拉多大學經濟系得學士學位，十五年畢業美國支加谷大學商學院得碩士學位。歷任國民政府建設委員會設計委員，會計科長，稽核科長，浙江省建設廳秘書兼購料委員會主任，浙江省蠶絲統制委員會秘書主任，現任鐵道部新路建設委員會委員兼秘書主任兼總務司幫辦。 [illegible]

Recent Appointments and Movements in Chinese Official Circles

Chiang Hua-pen, Chinese Consul-General in Kobe, returned to Shanghai from Japan Sept. 28. He later proceeded to Nanking to report to the central diplomatic authorities on his work in Japan during the past three years.

Gen. Yen Hsi-shan, Vice-chairman of the Military Affairs Commission and Pacification Commission for Shanghai and Suiyuan, is slightly indisposed, according to official information published in Taiyuan, Sept. 25.

Tsiang Ting-fu, the new Chinese Ambassador to Russia, will sail from Shanghai on Oct. 24, not on Sept. 24, as previously reported. He will proceed to the Soviet capital via Vladivostock.

Li Kee-tsing recently assumed his position as Chief of the Traffic Department of the Government Telegraph Administration in the Shanghai office on Foochow Road. He returned on August from a year and a half tour of America and Europe to study communication facilities and methods.

General Liu Chien-shu, former Commander of the bandit-suppression forces of Honan, has decided to establish his headquarters at Hsiangyang in north Hupeh.

The Judicial Yuan held its regular meeting Sept. 25 with President Chu Cheng presiding.

Two additional Special Administrative Areas have been created at Tientsin and Poyang by order of the Hopei Provincial Government. Messrs. Chen Chung-yo and Ting Shu-pen have been appointed Special Administrative Commissioners respectively of the two Areas.

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In the United States Court for China

SYLVIA GREENE WYLIE, Plaintiff, vs. WILLIAM NAYLOR WYLIE, Defendant.	Cause No. 4116 Civil No. 1995 ORDER Filed at Shanghai, China, September 17, 1936. William T. Collins, Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 16th day of September, 1936, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 14th day of September, 1936, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 16th day of September, 1936, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since 1935, and that defendant's last known address was 254 King George Street, Annapolis, Md. U. S. A.

NOW, THEREFORE, it is this 17th day of September, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in THE CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 10th day of October, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 17th day of September, 1936.

MILTON J. HELMICK,
Judge.

Men and Events

The eighth annual meeting of the Chinese Pharmaceutical Society was convened at Nanking Sept. 26 at the Nanking Y.M.C.A. building, with 131 members in attendance.

The North China Auxiliary, Navy Relief Society, (Fourth Marines) will hold a benefit at the Shanghai Race Club on the evening of Oct. 22.

Vincenzo Lojacono, Italian Ambassador to China, who left for Peiping early last month to attend to the affairs of the Italian Embassy there, returned to Shanghai Sept. 29.

Mayor Wu Te-chen of Greater Shanghai has been appointed chairman of the proposed Shanghai Branch of the newly created National Aviation Reconstruction Association.

The marriage of Kung Teh-chen, the 75th lineal descendant of Confucius, and Miss Sun Chi-tang, daughter of a prominent Chinese banker in Peiping is scheduled to take place Dec. 8.

A report that K. P. Chen, manager of the Shanghai Commercial and Savings Bank, would be appointed Minister of Finance, is an unfounded rumor, the *Central China Daily News* stated Sept. 24.

A Japanese newspaperman, reported to have been drunk, fell off a train in the Peichong district when travelling from Mukden to Tientsin on the night of Sept. 23. He was killed instantly.

The Zoong Sing Cotton Mills, Ltd. will hold its seventeenth ordinary meeting in Shanghai Oct. 7. The business will include the authorization of a dividend of $2 and a bonus of $2 on 150,000 shares,.

Miss Anna May Wong, Chinese movie actress, will shortly visit Canton, her ancestral home. After a short stay in the south, Miss Wong is expected to return here prior to her departure for America.

The s.s. *Min Peng*, "Pride of the Yangtze," successfully competed her maiden voyage from Shanghai to Chungking Sept. 26. The *Min Peng* is the largest river vessel built by the Min Sen Steamship Company.

Glenn Babb, chief of the Tokyo bureau of the *Associated Press of America*, is visiting in Shanghai prior to proceeding to the United States, where he will be attached to the New York office of the organization.

The death occurred at the Mission Hospital in Shanghai last week of Rev. W. J. Hanna, Superintendent of the China Inland Mission in Anhwei province. Interment took place at Hungjao Road Cemetery Sept. 25.

Tenders have been invited by the Shanghai Power Co. for the supply of approximately 300,000 tons of slack and dust coal to the Company's Riverside Plower Station during a period of six months commencing Jan. 1, 1937.

A banknote counterfeiting den was unearthed at the Shuang Shu Ho Shop on Po Hsing Road in Tsingtao by Sept. 22. Fake notes of the Central Bank of China, Shanghai, and the Shantung Money Exchange, were discovered.

The International Export Company, which suspended operations in 1932, is planning to reopen in Nanking early this month. The company in years past had been a huge exporter to Europe of foreign pork, eggs, game, etc.

Six persons were slain in cold blood and three others seriously injured in a melee at Chin Village, near Pukiang about 100 kilometers southwest of Hangchow, last week. A dispute over the division of the family's property is said to have been the chief cause of the tragedy.

Dr. Alfred Sze, Chinese Ambassador to the United States, gave a dinner in Washington, D.C. Sept. 24, honoring the Russian, Chinese, Japanese and American delegates to the Institute of Pacific Relations Conference held recently at Yosemite National Park, California.

A further drop of population in Nanking has been registered for the month of August. August's census figures show a total of 976,744 inhabitants, including 585,127 males and 391,617 females—a decrease of 1,830 as compared with those for the month of July.

The new $280,000 vault constructed of steel and reinforced concrete for the preservation of ancient relics was formally taken over from the contractors by officials of the Peiping Palace Museum Sept. 26 at a ceremony presided over by Dr. Tsai Yuan-pei, President of the Academia Sinica.

The staff of the National Committee of the Young Men's Christian Associations of China held its Autumn conference Sept. 28 to 30 in Shanghai, under the chairmanship of its general secertary, S. C. Leung. Some thirty persons in the conference discussed the needs confronting the youth of China.

Quentin L. Young, brother of Jack Young, departed from Shanghai end of last week on a six-months' expedition to Sikong, Szechwan and Yunnan. Mr. Young has made two previous trips to this region in company with his brother, who left Shanghai recently on an expedition to Burma.

Four celebrated Chinese actors have accepted the invitation of General Sung Cheh-yuan to give performances on the Double Tenth Festival at the Huai Jen Tang for the entertainment of members of the Peiping diplomatic corps. They are Mei Lan-fang, Yu Shu-yen, Yang Hsiao-lou and Cheng Yen-chiu.

Three hundred and sixty-five counterfeit U. S. $20 notes were found in the possession of two Formosans when the Shanghai Municipal Police raided their rooms at the Great Eastern Hotel in Shanghai last week. The two Formosans were arrested. Their trial will take place at the Japanese Consular Court.

The *San Francisco Chronicle* of Aug. 15 stated that John Earl Baker, adviser to the Chinese government on railway management gave an audience at a luncheon of the Commonwealth Club the previous day a verbal picture of a revivified and united China "which will soon be able to face issues introduced from abroad."

The corner-stone of the chapel-auditorium of the University of Shanghai was laid Sept. 30, on the campus, with appropriate ceremony. Dr. John Y. Yee, Chairman of the Board of Directors of the University, was the presiding officer. Dr. John R. Sampey, President of the Southern Baptist Convention, was the principal speaker.

A. V. Peacock, an employee of the Kowloon Naval Yard, was shot twice by bandits, while hiking with his wife and two children in the New Territory, near Hongkong Sept. 27. The first bullet, was deflected by his spectacle-case, while the second bullet entered his thigh. Mrs. Peacock ran two miles to summon help. Mr. Peacock is recovering.

Judgment by default was given in the U. S. Court for China last week against H. O. Arnold for $4,000. The plaintiff was John Kovalchuk, whose petition stated that Mr. Arnold had deserted the furnished apartment rented to him by Mr. Kovalchuk and that as a result furniture and other property for the amount claimed was stolen from the premises.

A French soldier was beaten and stabbed at Peiping on the night of Sept. 2 following a quarrel with an unidentified man who made good his escape after the attack. The affair occurred in the same bar as that which figured prominently in the case of the Japanese officer, Kisaku Sasaki, who was killed in the street after a visit there on the night of May 26.

Mr. and Mrs. R. P. Butrick of the American Consulate-General in Shanghai were entertained at many functions this week, prior to their intended departure for America on Oct. 6, travelling by way of Europe. Among those who gave parties for them were. Consul General and Mrs. Clarence E. Gauss, Dr. and Mrs. Esson M. Gale, Mr. and Mrs. H. Terasaki, Mrs. Oliver C. Lockhart, and others.

Since the troops of the 29th army withdrew from Fengtai to the southern and western suburbs of Peiping, many men and women delegates from various anti-Japanese organizations have gone there to console them with gifts of food, at the same time availing themselves of the opportunity to deliver anti-Japanese speeches, a Peiping message to the Shanghai *Nichi Nichi*, Sept. 25, stated.

Rear-Admiral Orin G. Murfin, commander-in-chief of the United States Asiatic Fleet, will exchange commands with Rear-Admiral Harry E. Yarnell, now commandant of the 14th Naval District and of the naval base at Pearl Harbor, Hawaii, during the latter part of this month. Rear-Admiral Yarnell will report for duty in the Far East on Oct. 19, coming here from Honolulu aboard the *President Coolidge*.

W. A. Lewisohn, in the *North China Daily News* of Sept. 27, gave an interesting description of the Legation Quarter at Peiping, incidental to the removal of the Legations (or Embassies) from Peiping to Nanking. The Legation Quarter dates from the Boxer Rebellion. The granting of the Quarter was demanded as punishment for the cutting off of the Legations by the Boxers with the connivance of government troops during the historic years of 1900. Its history is now being brought to a close.

The Shanghai French Municipality, owing to the prevailing depression, has decided not to carry out the plans, at least for the present, of building a new Municipal building on the site in Rue du Consulat, where the old building was razed to the ground half a year ago, after having been condemned. Instead, the old French school and barracks at the corner of Avenue Joffre and Rue Marcel Tillot are being remodelled and the Municipal officers will shortly be removed there from the present temporary quarters further out along said avenue.

The discovery of the Pacific Ocean by Balboa 423 years ago was celebrated by the Pan Pacific Association of Shanghai Sept. 25 at a tiffin held at the Cathay Hotel. Guests of honor at the tiffin included members of the Consular Body and various Legations and embassies, the Board Directors of the association, representatives from the Shanghai Municipal Council, and French Municipal Council and Chinese Government officials. Dr. P. W. Kuo, Director of the Bureau of Foreign Trade, was the principal speaker at the tiffin, who spoke on "Sino-foreign Relations," stressing the need for further international understanding and cooperation. Dr. H. H. Kung, Minister of Finance and Chairman of the Association, also delivered a speech, in which he stressed the significance of the discovery of the Pacific Ocean by General Balboa and expressed his hope for peace and prosperity among the Pacific peoples.

Chinese Economic Council Holds Annual Conference in Shanghai

The 13th annual meeting of the Chinese Economic Society was held in Shanghai Sept. 27-Oct. 1. Prominent among those present were Dr. H. H. Kung, Minister of Finance, Mayor Wu Te-chen, Sun Yung-chi, representative of Pan Kung-chan, Director of the Bureaus of Education and Social Welfare, Wang Hsiao-lai, Chairman of the Shanghai Chamber of Commerce, Tu Yueh-sen, well-known local resident, and Dr. Usang Ly, president of the Chiaotung University.

Speaking before 500 members of the Chinese Economic Society at the opening session of its five-day annual conference in Shanghai Sept. 27, Dr. H. H. Kung, Minister of Finance, gave an exhaustive survey of the economic program which he put into effect to aid the nation in achieving recovery. Dr. Kung pointed out that for a long time the productive capacity of the country has been backward. From the time when this country began trading with foreign nations, he said, the chief export from China has been low-priced raw material. At the same time, however, imports into China have been largely expensive manufactured goods. The result was, Dr. Kung pointed out, that the farming population of the country was only able to exchange its entire produce for a meager amount of machine wares. To remedy this nation-wide poverty which comes as a result of the inequality in the value of import and export, the National Government has striven to encourage economic construction, Dr. Kung continued. But this program met a setback when the world-wide depression hit this country. In order to fight the new menace of falling prices and bankruptcy in rural areas, the National Government was compelled to take drastic measures in financial rehabilitation, Dr. Kung explained. These measures, he pointed out, were embodied in the new currency policy put into effect last November.

In formulating the new economic policy, Dr. Kung said, the National Government made every endeavor to study policies used in countries abroad and adapt them to the conditions peculiar to China. While China's new economic policy is partly based on foreign experience the conditions which are peculiar to this country have necessitated some modification.

Shanghai Power Company Has I. E. S. Study Lamps for Sale

The Shanghai Power Co., in common with electric light companies throughout the world, is making a special study of light problems, particularly as they affect eyesight. The matter is of special importance to children at school. It is suggested that a special place be provided at home for studying, where there is plenty of glareless light. The fad for dull and spotted light which was so popular a few years ago and which some still consider smart will go far toward ruining the sight of a child who may have been born with a fine pair of eyes. The Shanghai Power Co. has a number of the I.E.S. study lamps on display. It is a scientific lamp developed for better sight. These new study lamps and others for general use, are made to the scientific specifications of the Illuminating Engineering Society, and are quite inexpensive. S.P.C. representatives trained in light problems will be glad to answer any questions and help solve your light problems, with no cost or obligation.

Site Selected for New British Embassy at Nanking

A *Reuter* message from Nanking Sept. 26 stated that the site of the new British Embassy at Nanking has been fixed at the "Purple Bamboo Grove," which is located in the extreme northern section of the capital. The site occupies an area of approximately 10 to 12 acres.

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New Books of Interest in the Far East

Diplomats as Propagandists

Propaganda by Diplomats, by Benjamin Akzin. The Digest Press, Washington, D. C., 1936. 22 pages, with appendices.

This folio consists of an article with appended notes, the latter occupying almost half of the pamphlet's pages.

The whole text is taken up with tracing the changes which diplomatic relations have undergone. Now that public opinion looms so large as a controlling factor in governments and their relationships, the Foreign Offices of the world have had to take cognizance of contacts in a new manner. A former policy of silence on the part of a country's representative abroad has now altered until we read the following:—

"That an official representative of a foreign State systematically strives to arouse resentment among the population against another foreign State with which normal relations are being maintained, and that such activities are considered as quite in order, shows the extent to which diplomacy has evolved as an instrument of public propaganda.

"It is not known to the writer whether Japan has made representations concerning such activities either in Washington or in Nanking. All that is known is that, since the arrival in this country (America) of the present Japanese Ambassador, Mr. Saito, he has inaugurated a propaganda campaign even exceeding that in intensity of the Chinese representative. The writer has on record ten public addresses made by Mr. Saito between December, 1934 and April, 1935. Out of these ten speeches, three are devoted to increasing mutual friendship between the two countries in the classical manner of dealing with such non-controversial matters. The others contain plenty of controversial matter. At times they strive to arouse sentiment against Russia, at others they argue in defense of their Chinese policy, of their economic policy. The points of view developed in these addresses are mostly at variance with established American policies and aim at creating a popular sentiment in favor of their modification.

"Another foreign diplomat extremely active in his contacts with the American public is the Soviet Ambassador, Mr. Troyanovsky...Great emphasis on public contacts is laid also by the present German Ambassador in Washington, Dr. Luther... The few instances mentioned here illustrate, on the whole, the extreme limits to which foreign diplomats in Washington have gone in recent times in trying to rally American public opinion to the causes advocated by their respective countries or to strengthen American friendship for their countries. Other diplomats have followed suit occasionally, and expressly mentioned or guardedly hinted at particular problems. As for individual characteristics, one might notice that Latin-American diplomats were prone to insist in their speeches upon the principle of equality of States, Oriental representatives upon that of equality of races, German and Hungarian representatives upon justice in international relations. French diplomats, since the rise of dictatorships in Europe, like to emphasize the common allegiance to liberty of the two countries; and almost all of the foreign representatives dwell frequently upon common traditions, common friendships, common interests or common ideals and institutions.'

There are many foot-notes to the text and the appendices furnish documentary references. We find Mr. Akzin a clear and forceful writer. The subject he discusses is of paramount importance. His paper closes with this paragraph:

"This brief examination of the diplomats' efforts to influence public opinion in the receiving State through recourse to addresses and communications in the press indicates that the matter is one of prime importance in the practical conduct of political affairs. It cannot, however, be said that there is as yet any precisely defined formulation of the limits within such activities must be confind. The whole matter is left, like the diplomatic art itself, to the intelligence, good sense, and political acumen of the agents concerned."

Peiping, September 24, 1936. G.B.S.

Miles W. Vaughn Writes Autobiography Describing Reporting Adventures

Miles W. Vaughn, former Far Eastern manager for the *United Press*, is the author of a book entitled "Covering The Far East," which is being published by Covici—Friede, New York. Mr. Vaughn began his newspaper work as boy in a small middle western town, Winfield. Kan. He has served the *United Press* both at home and abroad. He spent five years in Latin-America as manager for Brazil and assistant general manager for South America with headquarters in Buenos Aires and nine yeras in the Orient with headquarters in Tokyo.

The Enthronement of Emperor Hirohito; the Manchurian Incident; the "Shanghai War"; the assassination of Premier Tsuyoshi Inukai of Japan; the Kuomintang Revolution in China and advantures in the Philippines and Dutch East Indies are described in various chapters in the book.

League of Nations Report for 1935-36

Copies of Part One of the Report of the Work of the League of Nations for the year 1935-36 were received in Shanghai this week. It is a volume of almost 250 pages and covers a wide variety of subjects, such as political questions (which include the Italo-Ethiopian War), reduction of limitation of armaments, mandates, slavery, economic and financial questions, communications and transit, health, technical cooperation between the League of Nations and China, social questions, traffic in opium and other dangerous drugs, international assistance to refugees, etc. It may be truthfully said that the brightest chapter in the volume is that dealing with technical cooperation between the League and China.

Chinese Authorities Produce Foreign Eyewitness of Yoshioka Slaying

BY THE REVIEW'S HANKOW CORRESPONDENT

THE Chinese and Japanese authorities in Hankow have had a hectic week not so much trying to found out who was the slayer of Yoshioka, Japanese policeman, as, where was he when slain? The Japanese maintain with great vehemence that their young countryman was slain on Chinese-controlled territory, while the Chinese aver that he fell where he was found dead, beside his sentry post in the Japanese concession, Hankow. What is more to the point, the municipal authorities have produced one foreign eye-witness to the slaying. Mrs. Jorgensen, wife of Captain Jorgensen of the Standard Oil Co., Hankow, a Norwegian citizen, has made a sworn statement to the effect that on the day of the crime, Sept. 19, she was approaching the northern boundry of the Japanese concession and when not more than about sixty feet away she saw Mr. Yoshioka fall dead. She continued on her way and passed by the body of the dead constable, and did not see who killed him but is confident that no one from Chinese territory had entered the Japanese concession to commit the crime. On hearing of the tragedy her husband hurried to the scene from the Socony oil transport ship. Capt. Jorgensen corroborated his wife's observation. He was the first one to notify the Japanese police, having asked his clerk to phone Japanese police headquarters.

Although Dr. K. C. Wu, mayor of Hankow, had invited the Japanese Consul General, Mr. Miura, to send representatives to a joint examination of witnesses, the latter did not choose to send any.

Chinese Authorities Prove Their Point

Most foreigners in Hankow believe that the crime was committed either in the Japanese concession, or in Japanese-controlled territory. The Japanese authorities have refused to allow the Chinese to police this area since 1928.

Most of the Chinese who were anywhere near the scene of the crime and who have been examined by the Chinese authorities agree with the evidence produced by the two Norwegian witnesses. The case for the Chinese is held by most foreigners in Hankow to be very good. This means that no political significance should be given this incident. The murderer of the Japanese constable should be sought and when found, whatever his nationality, should be meted out due punishment, according to law. The Chinese agree to do all in their power to apprehend the murderer. However, they wish to determine first of all, whether the man committed suicide or really was murdered.

The very latest witness to be examined in this case was Liu Shao-chi, Standard Oil Co. chauffeur, who was standing at the time of the shooting on the highest step of the the wharf with his face to the river. However, at 11.30 he heard two shots and turning around he saw two hawkers' stands and a man standing beside the one and a boy beside the other. He thought at first that the sounds had been caused by the bursting of a ricksha tire. The testimony of hawkers Huang Ching-yun and Liu Hsi-ya agreed with that of the chauffeur and with that of Mr. and Mrs. Jorgensen.

Authorities to Be Congratulated

The Chinese authorities in Hankow are to be congratulated on the way they handled this incident. They are willing to punish murderers, but are not willing to lose their sovereign rights as a people because of crimes committed on territory taken from them by a foreign power. In effect, they tell their Japanese neighbors: "If you have wrested this concession and the adjacent territory from us, it is your bounden duty to police it and to prevent crime from being perpetrated there." The Chinese have won their point but are afraid that the Japanese have been using this incident to strengthen the hand of the militaristic group in Japan. Maybe this is a clue to the whole series of incidents. Mainly for home consumption. And the militarists even in Japan have to justify their huge outlay of public funds in China.

Hankow, Sept. 28, 1936.

C.N.A.C. Orders Two New 20-Passenger Planes, One for Canton Service

The China National Aviation Corporation has ordered by cable two twin-motored, 20-passenger airplanes. Delivery of the two planes, both of which are American Sikorskys, is expected in about a month's time. One of the planes is to be put on the Shanghai-Canton run.

Air Defence Exhibition Held in Chinkiang

Fifty thousand people turned out at Chinkiang, Yangtsze river port, Sept. 23 to witness the air defence exhibition sponsored by the Kiangsu Provincial Government. Following the ceremony, publicity corps groups were sent out to distribute handbills and pamphlets on defense measures against air raids.

The Nanking Air Defense Association, conducted a city-wide publicity campaign from Sept. 28 to Oct. 4, during which handbills were distributed, speeches broadcasted, and illustrations posted at theaters and other public places.

Gen. Chiang Receives Premature Congratulations on Birthday

Although his 50th birthday anniversary will not be celebrated until Oct. 29 (15th day of the 9th moon according to the obsolete Lunar calendar), General Chiang Kai-shek was the recipient recently of several messages of congratulations from the representatives of various Foreign Powers. Among the messages received were those from Herr Adolf Hitler, the Reich Fuhrer, M. de Lago, the Brazilian Minister, Dr. Navarro, the Portuguese Minister, and Don Justo Garrido Y. Cisneros, Spanish Minister. It transpired that the congratulations arrived prematurely owing to a misapprehension of the date, the lunar calendar date being mistaken for the Gregorian.

Elaborate preparations are being made by the various civic organizations at the Capital for the celebration of the 50th birthday of General Chiang Kai-shek, on Oct. 29.

Further contributions from six overseas Chinese communities, amounting to $79,000, have been received by the Overseas Affairs Commission for the purchase of aeroplanes to be presented to the National Government in honor of the 50th birthday anniversary of Generalissimo Chiang Kai-shek, it was announced in Nanking Sept. 29.

The Panchan Lama, Tibetan spiritual pontiff, will contribute $2,000 from his personal funds towards the airplane fund for the purchase of planes in honor of Gen. Chiang Kai-shek's forthcoming fiftieth birthday, according to information from Tibetan circles.

New Airdromes to Be Built in Malaya

New airdromes and landing-grounds are to be built throughout Malaya, forming a strategic chain linking Singapore to the interior. The main R.A.F. station is at present on Singapore Island but there is also a huge airdrome at Seletar, the headquarters of the Far East command. Two more R.A.F. airdromes are under construction—one at Tengah, on the west side of the island, and one at the site known as "G3" near the Singapore naval base. Additional squadrons are to be stationed at each of these airdromes in the near future. Now it is announced that various other landing grounds are to be laid down at strategic points along the peninsula, among them Malacca.

The Singapore Air Ministry Sept. 23 approved a proposed meeting between Air-Commodore Sidney Smith, Air Officer commanding the R.A.F. in the Far East, and Gen. Chiang Kai-shek. It is expected here that British advisers will soon be appointed to the Chinese air force.

Soviet Army Corps Commander Studies Problem of Consolidating Soviet-U. S. Airlines

Commander of the U. S. Soviet Army Corps, Tkachev, head of the Chief Administration of Civil Aviation, Sept. 28 presided at a conference of fliers, engineers, polar explorers and representatives of researach institutes in Moscow, when the question of consolidating the air lines from the U.S.S.R. to the U.S.A. was discussed.

Four New Air Routes Opened in Japan

Four new air routes, with a total length of 1,798 kilometers were opened to traffic Oct. 1 by the Japan Air Transport Company The new lines link Tokyo with Osaka, via Toyama; Tokyo with Niigata; Osaka with Matsuye, via Tottori, and Osaka with Kochi, via Tokushima. Together with other lines operated by the concern. the total length of routes under its control reaches 8,000 kilometers.

Japanese Planes Make Surprise Visit to Tsingtao and Hsuchow

Two Japanese military planes paid Tsingtao a surprise visit Sept. 26. At 9 a.m. a Japanese plane landed from Tientsin and hopped off again at 10 a.m. About an hour later another plane arrived from Dairen but departed after a brief stay.

On the same date three planes appeared at Hsuchow and reconnoitered over the coast of Haichow, northerasten Kiangsu, for 15 minutes. The machine departed in a north-easterly direction. The appearance of "mysterious" planes at other points in South China was also mentioned in Chinese messages.

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JAPANESE MARINES PLACE BARRIERS IN HONGKEW STREETS

(*Continued from page 158*)

The intention of Japanese residents in Hankow to withdraw to Shanghai and Japan, in view of the current tension, was reported by local Japanese papers beginning of this week. The first batch to leave the upriver port, the Shanghai *Mainichi* stated, will consist of the families of fifty employees of the Nihon Cotton Company and the Nikka Oil Manufacturing Company. Officials of the Taian Cotton Spinning Company, the *Nichi Nichi* further reported, also have requested the Japanese Home Office to permit the evacuation of the families of their employees.

Reports appearing in the foreign and Japanese press in Shanghai and elsewhere to the effect that Japanese women and children were evacuating Hankow in large numbers, were described as "incorrect" Sept. 29 by the Japanese Consul-General, Miura.

Japanese Pistol Used by Assassin?

According to the Nanking *Hsiuminpao* the pistol and cartridges used by the assassin or assassins to kill the Japanese constable in Hankow were of Japanese make.

Fire at Hsiangtan Brings Japanese Protests—and an Apology

A fire in the office of the Nissshin Kisen Kaisha at Hsingtan, Hunan Province, alleged to have been started by incendiaries, resulted in vigorous representations to the Chinese authorities in Changsha Sept. 27. The fire, which took place late at night, was quickly extinguished by the staff of the shipping concern.

The Changsha provincial authorities Sept. 30 revealed their compliance with a set of five Japanese demands as follows: A reprimand for the magistrate of the Hsiangtan Hsien; a reprimand for the Director of the Hsiangtan Bureau of Public Safety; arrest and punishment of the incendiaries; full protection for Japanese nationals, their property and their employees; and a formal apology from the magistrate of the hsien and a written guarantee against the recurrence of similar incidents.

"Manchester Guardian" Says Nanking May Not Make Concessions to Threats

The *Manchester Guardian* Sept. 25, in reviewing the inflammation of anti-Japanese feeling since the recommencement of Japanese aggression in North China last October, expressed the opinion that the Japanese fear they will no longer be able to continue expansion merely by threatening the Chinese Government for the simple reason that Nanking can no longer make concessions to threats. But there is a grave risk that if the Chinese authorities are unable to bow the knee to Japan the Japanese may be tempted to repeat the process of 1932 (when military action was taken at Shanghai).

In Shanghai, the journal continued, the Japanese have long wanted to annex a concession in the Chinese part of the city or seize for themselves Hongkew, where they have already organized a "shadow corporation" within the confines of the Shanghai Municipal Council. Worse still, the Japanese Army may take up again its favorite project of five separate northern provinces. Even on the grounds of the plainest expediency, the *Guardian* concluded the Japanese should consider whether possible war with China, now patriotic, united and well-armed would be quite the simple exercise for her troops it was formerly believed to be.

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With reference to Customs Notification No. 1241, the public is hereby notified that in accordance with Government instructions the factory product privileges accorded, prior to the closure of the Manchurian Customs offices, to the output of factories in Manchuria are all to be withheld temporarily in order to avoid the possibility of non-privileged products being substituted for privileged goods and thus evading payment of duty.

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 29th September, 1936.

CUSTOMS NOTIFICATION NO. 1546.

The Custom House will be closed, and the shipment and delivery of cargo suspended, on Saturday, the 10th October, the day fixed by the Government as a National Festival.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 29th September, 1936.

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The National City Bank of New York, Rates of Exchange
Shanghai, Sept. 30, 1936

Demand selling rate on America:	U.S. $1.00=Sh. $ 3.43
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Demand selling rate on London:	£1.0.0=Sh. $16.99
Demand buying rate on London:	£1.0.0=Sh. $16.55

Latest New York Stock Exchange Quotations

September 30, 1936

Stock Exchange— Business Done:-
Total Volume: 1,380,000 Shares

1936 High	1936 Low	Div. $ per sh.	STOCKS	Last Sale Sept. 28	Last Sale Sept. 29
13⅞	9⅝	0.20	Adams Express	13¼	13¼
137½	115¾	4.00	American Can	125½	124½
40⅜	29¼	0.30	Amer. Cyanamid "B"	34¼	34
9⅜	6½	—	American & For. Power	7⅛	7⅛
43¼	29⅜	—	American & Foreign Pwr. $7 pfd.	41⅛	40½
27⅜	18⅜	—	American Radiator	22½	22⅛
179⅜	149½	9.00	American Tel. & Tel.	174⅜	174⅜
103½	88⅛	5.00	American Tobacco "B"	100	99⅜
27	19⅛	0.20	American Waterworks	25⅛	25⅛
40⅜	28	0.50	Anaconda Copper	39½	39
88	59	2.00	Atchison, T. & S. Fe	80¼	79½
54¼	26⅜	—	Auburn	34¼	35¼
24¼	15⅞	—	Baltimore & Ohio	24⅜	24⅜
71⅞	45⅜	—	Bethlehem Steel	69	68⅞
30½	16⅝	—	Boeing Airplane Co.,	29¼	29½
16	10⅜	—	Canadian Pacific Railway	12	12⅛
188	92½	—	Case, J. I.	154	154
50⅜	34	1.40	Chase National Bank	46⅜	46½
86	59	3.00	Chesapeake Corp.	84	88⅜
69¾	51	2.80	Chesapeake & Ohio	67¼	67¼
124⅜	85½	7.25	Chrysler	122⅜	122¼
23⅜	14	0.40	Columbia Gas & Electric	19⅞	19⅜
24⅜	14¼	0.50	Com'l. Solvents	18⅜	18⅜
5½	2¼	—	Commonwealth & Southern (ord.)	3⅞	3⅞
44¼	27¼	2.00	Consolidated Edison	42	43¼
15¼	11¼	0.60	Consolidated Oil	13⅛	13½
38½	28¼	1.00	Continental Oil	32¾	33
82½	64	3.00	Corn Products	69¾	69⅝
80	50⅝	—	Douglas Aircraft	77	76⅜
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27	15⅝	—	Electric Bond & Share	22⅝	22⅝
47⅜	34½	0.90	General Electric	45⅝	45⅜
43¼	33⅜	1.80	General Foods	39¼	40
72⅜	53⅞	2.00	General Motors	69¾	69
50	32½	1.00	General Railway Signal	45	45
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31⅞	21⅝	—	Goodyear Tire & Rubber	23⅞	24
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62⅛	43¼	1.35	International Nickel	60⅜	60¾
19⅛	11¼	—	International Tel. & Tel.	13	13
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62	43	2.00	Loew's Inc.	59	58⅝
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103	79	1.00	Monsanto Chemical	99	99
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44	23½	—	Southern Pacific	44¼	44
18	14⅝	0.80	Standard Brands	15⅜	15¼
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70	51⅛	1.00	Standard Oil Co. of N. J.	61½	60⅞
74	65	3.80	Sterling Products	72⅜	71¾
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149⅜	108½	6.00	Union Pacific	138	136
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35	16⅜	—	U. S Rubber	33½	34¼
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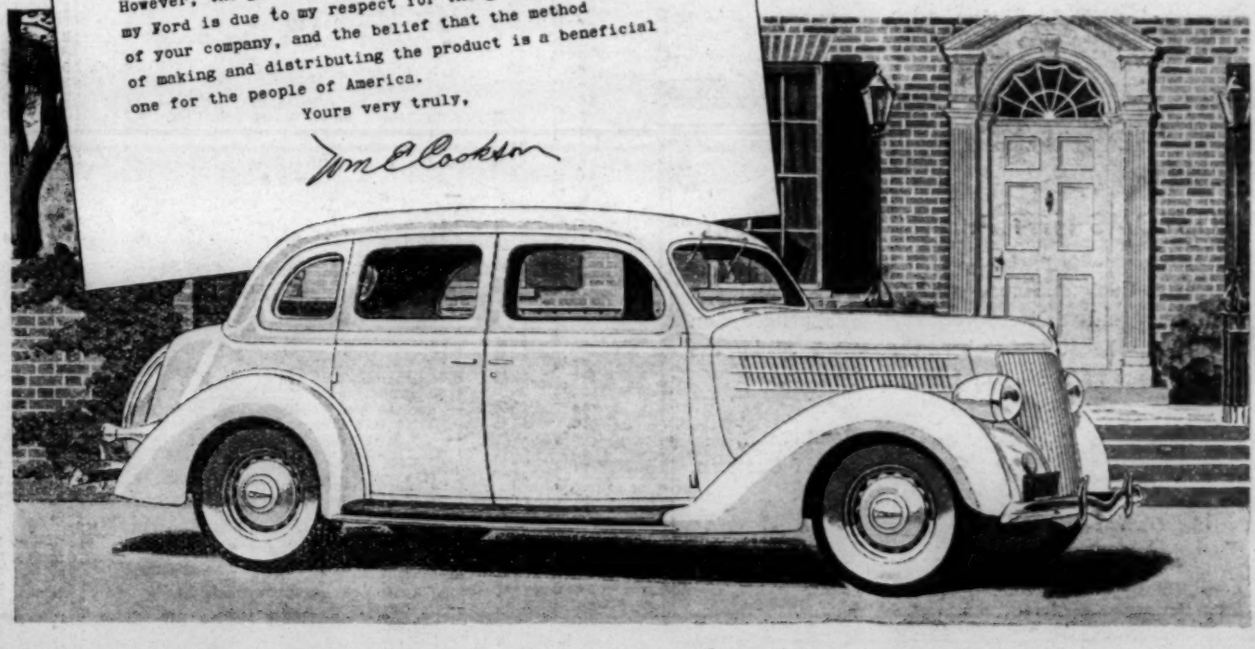

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